

Appropriation Account 2016

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 2016 for the salaries and expenses of the Office of the Minister for Children and Youth Affairs, for certain services administered by that Office, and for the payment of grants including certain grants under cash-limited schemes.

The expenditure outturn is compared with the sums:

- (a) granted by Dáil Éireann under the Appropriation Act 2016, including the amount that could be used as appropriations-in-aid of expenditure for the year.
- (b) provided for capital supply services in 2016 out of unspent 2015 appropriations, under the deferred surrender arrangements established by section 91 of the Finance Act 2004.

A surplus of €48.465 million is liable for surrender to the Exchequer.

Statement of Accounting Policies and Principles

The Statement of Accounting Policies and Principles and notes 1 to 6 form part of the account. The standard accounting policies and principles for the production of appropriation accounts have been applied in the preparation of the account except for the following:

Depreciation

The National Children Detention facility at Oberstown was transferred into land and buildings in 2016. The asset is being depreciated at a rate of 2% per annum on a straight line basis over the estimated useful life.

Payments to Pobal

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

Statement on Internal Financial Control

Responsibility for system of internal financial control

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

The statement of internal financial control for the Department of Health is also relevant given that Department provides certain services on a shared basis to Vote 40 in the areas of finance and IT. As a result, payroll (to October 2016), accounts and ICT services continue to be delivered by the Department of Health on behalf of the Department of Children and Youth Affairs.

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

The statement on internal financial control for the National Shared Services Office is also relevant given that it provides certain services on a shared basis to Vote 40 in the areas of payroll and HR.

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

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

Pobal administers a number of programmes on behalf of the Department. In 2016, the Department advanced funding of €223 million to Pobal in this regard (See Note 6.2). A service level agreement between the Department and Pobal was signed in September 2016. Pobal provides quarterly reports to the Department on the results of compliance visits conducted by it.

Pobal's quarterly reports inform internal management discussion and also form the basis of communications between Pobal and the Department regarding compliance. Pobal also conducts a small number of verification audits on service providers which seek to confirm that grants moneys provided were spent for the purpose intended in accordance with programme rules and contractual conditions. The Department and Pobal meet monthly to discuss matters relating to compliance.

Payments in excess of entitlements identified as part of Pobal's compliance and verification audit programme are recorded as overpayments and Pobal seek recovery of these amounts from the service provider. The vast majority of overpayments are rectified by reducing the level of funding to service providers in subsequent payments. Any amounts recovered directly from a service provider which relate to a previous financial year are recorded by the Department as extra exchequer receipts. Amounts which are considered unrecoverable are written off.

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

Risk Management

A process of risk identification and management is in place. The purpose of this is to identify and assess risks and to outline measures to control and manage the risks to which the Department may be exposed. Risk management has been incorporated into the business planning cycle and further evaluation and enhancement of risk management took place as part of the 2016 business planning and review cycle. In this regard the Department's Management Board meets on a quarterly basis as a risk committee.

Financial control environment

I confirm that a control environment containing the following elements is in place:

- financial responsibilities have been assigned at management level with corresponding accountability
- reporting arrangements have been established at all levels where responsibility for financial management has been assigned
- formal procedures have been established for reporting significant control failures and ensuring appropriate corrective action
- there is an Audit Committee to advise me in discharging my responsibilities for the internal control system
- 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 and, in particular, that

- There is an appropriate budgeting system with an annual budget which is kept under review by senior management.
- There are regular reviews by senior management of periodic and annual financial reports which indicate financial performance against forecasts.
- A risk management system operates within the Department.
- There are systems aimed at ensuring the security of the ICT systems.
- There are appropriate capital investment control guidelines and formal project management disciplines.
- The Department ensures that there is an appropriate focus on good practice in purchasing and that procedures are in place to ensure compliance with all relevant guidelines. During 2016, seven contracts with a value of €713,065 were procured without a competitive process.
 - a) Five contracts with a value of €467,556 were deemed to have a single most effective identified solution given the specialised nature of the services provided
 - b) One contract with a value of €138,000 was entered into following a tender process which did not yield any expressions of interest
 - c) One contract with a total value of €107,509 was considered necessary given the consultant's previous experience in the development of the required IT infrastructure and the critical time constraints to support a statutory investigation process

Internal Audit and Audit Committee

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

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

The Internal Audit Unit operates under the direction and control of the Internal Audit Committee (IAC) and the Secretary General. I meet with the Head of Internal Audit and with the Chair of the IAC periodically. The minutes and annual report of the IAC are the subject of regular discussion by the Department's Management Board.

The Head of Internal Audit position became vacant in August 2016. Recruitment of a full time professionally qualified Head of Internal Audit commenced in late 2016 and an appointment was made in July 2017. Between August and December 2016, the Internal Audit function was carried out by a professionally qualified auditor operating on a consultancy basis supported by a full time member of staff working in the Internal Audit Unit.

During 2017 the Audit Committee plans to conduct a review of the internal audit function which will include, inter alia, a review of the adequacy of the resources by reference to the Department's budget.

Significant financial risks

Weaknesses in control over Childcare Early Years programme payments.

Irregularities (totalling €500,000) were identified in December 2014 in relation to the Community Childcare Subvention (CCS) Programme and Early Child Care and Education (ECCE). The Department receives quarterly compliance reports from Pobal setting out the results of compliance visits to service providers. The results of the compliance reports show a significant number of services being assessed as major non-compliant e.g. issues which have or may have a negative financial impact for the Exchequer and/or parent; and/or do not adhere to certain administrative requirements of the programme.

An internal audit report completed in February 2017 in relation to compliance with the terms and conditions of the CCS programme identified weaknesses in the operation of controls for that scheme. The Department has implemented or is planning to implement a number of changes to address the weaknesses identified. These include the following

- A revised compliance programme was agreed with Pobal and implemented from September 2016. Compliance reporting is now categorised under four headings
 - major non-compliant — indicating outcomes which may have a negative financial impact for the Exchequer and/or parent
 - minor non-compliant indicating outcomes which do not adhere to certain administrative requirements of the programme (previously classified as major non-compliant)
 - compliant — indicating compliance with programme rules based on sample of records reviewed, and
 - compliant with special advisory — indicating a general level of compliance but with advisory from Pobal to address issues of specific obligation deemed less significant than others
- Key focus areas for the 2016/17 compliance cycle include
 - an increased focus on the CCS programme, including a commitment to prioritise revisits to services where significant variances between child registrations versus numbers enrolled and/or attending the facilities that were identified in the 2015/16 compliance cycle
 - efforts to reduce the level of non-compliance in ECCE services in relation to minimum staff qualifications, and
 - a commitment to report services which fail to maintain attendance records in the format required by the DCYA.

The Department will be providing additional support to childcare services in developing stronger financial and improved overall governance standards in the 2017/18 programme cycle.

The Department is satisfied that the implementation of the revised control procedures outlined above will strengthen control over childcare payments and reduce the level of non-compliance identified as part of Pobal's compliance programme. This area will be kept under review.

Over the medium term, the Department is also planning a number of changes to its childcare schemes as follows.

- The Department is developing an Affordable Childcare Scheme which will replace the existing targeted childcare subsidy schemes with a single streamlined scheme designed with appropriate governance and control arrangements.
- The Department is also conducting an Early Years operational review which will provide the opportunity to consider the optimum operating model in terms of what and how early years services are delivered, funded and administered and the effectiveness of governance and accountability structures.

Petty Cash

The 2015 audit by the Comptroller and Auditor General identified weaknesses in the Department's controls over petty cash. Revised internal controls were implemented from January 2016. During 2017 Internal Audit conducted two separate reviews. One review included an assessment of the adequacy on current controls over petty cash. The other review included examination of the records for the period 2011 to 2015 and identified an amount of €18,902 which cannot be accounted for. In addition, Internal Audit noted that there was inadequate supporting documentation for a proportion of recorded withdrawals.

The petty cash balance recorded in the account has been adjusted to reflect the balance on hand and the unreconciled amount of €18,902 has been transferred to a suspense account pending completion of the Internal Audit investigations.

Enhancing internal controls

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

- During 2016, the Governance and Performance Division of the Department further refined and enhanced the system of Tusla performance monitoring in conjunction with colleagues from the Agency. This methodology will be the subject to ongoing review in 2017.
- A Corporate Governance Framework describing the main details of our governance processes was published during 2016. Good governance supports a culture and ethos which ensures behaviour with integrity, a strong commitment to ethical values and respect for the rule of law.

Fergal Lynch

Accounting Officer

Department of Children and Youth Affairs

19 September 2017

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 40 Children and Youth Affairs

I have audited the appropriation account for Vote 40 Children and Youth Affairs for the year ended 31 December 2016 under section 3 of the Comptroller and Auditor General (Amendment) Act 1993. The account has been prepared in the form prescribed by the Minister for Public Expenditure and Reform, and in accordance with standard accounting policies and principles for appropriation accounts.

Responsibility of the Accounting Officer

In accordance with Section 22 of the Exchequer and Audit Departments Act 1866, the Accounting Officer is required to prepare the appropriation account. By law, the account must be submitted to me by 31 March following the end of the year of account.

The Accounting Officer is also responsible for the safeguarding of public funds and property under his control, for the efficiency and economy of administration by his Department and for the regularity and propriety of all transactions in the appropriation account.

Responsibility of the Comptroller and Auditor General

I am required under Section 3 of the Comptroller and Auditor General (Amendment) Act 1993 to audit the appropriation accounts of all Votes and to perform such tests as I consider appropriate for the purpose of the audit.

Upon completion of the audit of an appropriation account, I am obliged to provide a certificate stating whether, in my opinion, the account properly presents the receipts and expenditure related to the Vote. I am also required to refer to any material case in which

- a department or office has failed to apply expenditure recorded in the account for the purposes for which the appropriations made by the Oireachtas were intended, or
- transactions recorded in the account do not conform with the authority under which they purport to have been carried out.

Under Section 3 (10) of the Comptroller and Auditor General (Amendment) Act 1993, I am required to prepare each year, a report on any matters that arise from the audits of the appropriation accounts or examinations of accounting controls.

Scope of audit

An audit includes examination, on a test basis, of evidence relevant to the amounts and regularity of financial transactions included in the account and an assessment of whether the accounting provisions of the Department of Public Expenditure and Reform's *Public Financial Procedures* have been complied with.

The audit involves obtaining sufficient evidence to give reasonable assurance that the appropriation account is free from material misstatement, whether caused by fraud or other irregularity or error. I also seek to obtain evidence about the regularity of financial transactions in the course of the audit. In forming the audit opinion, the overall adequacy of the presentation of the information in the appropriation account is evaluated.

Opinion on the appropriation account

In my opinion, the appropriation account properly presents the receipts and expenditure of Vote 40 Children and Youth Affairs for the year ended 31 December 2016.

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

Seamus McCarthy
Comptroller and Auditor General

24 September 2017

Vote 40 Children and Youth Affairs Appropriation Account 2016

		2016		2015
		Estimate provision	Outturn	Outturn
		€000	€000	€000
Programme expenditure				
A	Children and Family Support Programme			
	Current year provision	701,913		
	Deferred surrender	<u>3,500</u>		
		705,413	704,592	694,611
B	Sectoral Programmes for Children and Young People	410,591	366,637	319,545
C	Policy and Legislation Programme	25,972	17,199	15,217
Gross expenditure				
	Current year provision	1,138,476		
	Deferred surrender	<u>3,500</u>		
		1,141,976	1,088,428	1,029,373
<i>Deduct</i>				
D	Appropriations-in-aid			
		25,450	22,007	24,598
Net expenditure				
	Current year provision	1,113,026		
	Deferred surrender	<u>3,500</u>		
		1,116,526	1,066,421	1,004,775

Surplus for surrender

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

	2016	2015
	€	€
Surplus	50,105,001	10,235,519
Deferred surrender	(1,640,000)	(3,500,000)
Surplus to be surrendered	<u>48,465,001</u>	<u>6,735,519</u>

Analysis of administration expenditure

		2016	2015
	Estimate provision	Outturn	Outturn
	€000	€000	€000
i	Salaries, wages and allowances	10,669	8,709
ii	Travel and subsistence	182	109
iii	Training and development and incidental expenses	441	217
iv	Postal and telecommunications services	142	124
v	Office equipment and external IT services	249	198
vi	Office premises expenses	403	377
vii	Consultancy services and value for money and policy reviews	212	161
		12,298	9,895

Notes to the Appropriation Account

1 Operating Cost Statement 2016

	2016	2015
	€000	€000
Programme cost	1,077,770	1,019,478
Pay	9,361	8,709
Non pay	1,297	1,186
Gross expenditure	1,088,428	1,029,373
<i>Deduct</i>		
Appropriations-in-aid	22,007	24,598
Net expenditure	1,066,421	1,004,775
Changes in capital assets		
Purchases cash	(1,348)	
Depreciation	1,181	
	(167)	(10,692)
Changes in net current assets		
Decrease in closing accruals	(2,683)	
Increase in stock	(5)	
	(2,688)	(3,520)
Direct expenditure	1,063,566	990,563
Expenditure borne elsewhere		
Net allied services expenditure (note 1.1)	2,663	2,792
Net programme cost	1,066,229	993,355

1.1 Net Allied Services Expenditure

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

	2016	2015
	€000	€000
Vote 9 Office of the Revenue Commissioners e	30	30
Vote 12 Superannuation and Retired Allowances e	342	279
Vote 13 Office of Public Works e	2,242	2,459
Vote 18 National Shared Services Office e	49	24
	2,663	2,792

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

2 Balance Sheet as at 31 December 2016

	Note	2016 €000	2015 €000
Capital assets	2.2	56,457	55,172
Current assets			
Bank and cash	2.3	744	5,062
Stocks	2.4	49	44
Prepayments		8,545	5,866
Accrued income		—	2
Other debit balances	2.5	712	238
Total current assets		10,050	11,212
Less current liabilities			
Accrued expenses		399	405
Other credit balances	2.6	122	1,731
Net liability to the Exchequer	2.7	1,334	3,569
Total current liabilities		1,855	5,705
Net current assets		8,195	5,507
Net assets		64,652	60,679
Represented by:			
State funding account	2.1	64,652	60,679

2.1 State Funding Account	Note	2016 €000	2015 €000
Balance at 1 January		60,679	46,467
Adjustment (see note 2.2)	2.2	1,118	—
Disbursements from the Vote			
Estimate provision	Account	1,116,526	
Deferred surrender	Account	(1,640)	
Surplus to be surrendered	Account	(48,465)	
Net vote		1,066,421	1,004,775
Expenditure (cash) borne elsewhere	1	2,663	2,792
Net programme cost	1	(1,066,229)	(993,355)
Balance at 31 December		64,652	60,679

2.2 Capital Assets

	Capital assets under development	Land and buildings	Office equipment	Furniture and fittings	Total
	€000	€000	€000	€000	€000
Gross assets					
Cost or valuation at 1 January 2016	55,063	—	714	575	56,352
Adjustment ¹	1,118	—	—	—	1,118
Additions	—	1,233	33	82	1,348
Disposals	—	—	—	(7)	(7)
Transfers from assets under development	(56,181)	56,181	—	—	—
Cost or valuation at 31 December 2016	—	57,414	747	650	58,811
Accumulated depreciation					
Opening balance at 1 January 2016	—	—	654	526	1,180
Depreciation for the year	—	1,126	30	25	1,181
Disposals	—	—	—	(7)	(7)
Cumulative depreciation at 31 December 2016	—	1,126	684	544	2,354
Net assets at 31 December 2016	—	56,288	63	106	56,457
Net assets at 31 December 2015	55,063	—	60	49	55,172

¹ The adjustment to the opening balance represents a payment to the Office of Public Works in 2012 that was omitted in error from capital assets under development.

2.3 Bank and Cash

	2016	2015
at 31 December	€000	€000
PMG balances and cash	731	5,023
Commercial bank balances	13	39
	744	5,062

2.4 Stocks

	2016	2015
at 31 December	€000	€000
Stationery	29	25
IT consumables	20	19
	49	44

2.5 Other Debit Balances

	2016	2015
at 31 December	€000	€000
Advances to OPW	654	213
Recoupable travel pass scheme expenditure	34	5
Recoupable salaries	17	—
Other debit suspense items	7	20
	712	238

2.6 Other Credit Balances	2016	2015
at 31 December	€000	€000

Amounts due to the State

Professional Services Withholding Tax	29	25
Value Added Tax	18	4
Pensions	2	2
	<hr/>	<hr/>
	49	31
Other credit suspense items	73	1,700
	<hr/>	<hr/>
	122	1,731
	<hr/>	<hr/>

2.7 Net Liability to the Exchequer	2016	2015
at 31 December	€000	€000

Surplus to be surrendered	48,465	6,736
Deferred surrender	1,640	3,500
Exchequer grant undrawn	(48,771)	(6,667)
Net liability to the Exchequer	<hr/>	<hr/>
	1,334	3,569
	<hr/>	<hr/>

Represented by:

Debtors:

Bank and cash	744	5,062
Debit balances	712	238
	<hr/>	<hr/>
	1,456	5,300

Creditors:

Due to State	(49)	(31)
Credit balances: suspense	(73)	(1,700)
	<hr/>	<hr/>
	(122)	(1,731)

	<hr/>	<hr/>
	1,334	3,569
	<hr/>	<hr/>

2.8 Commitments	2016	2015
at 31 December	€000	€000

a) Global Commitments

Procurement of goods and services	12,403	12,985
Grant programmes	24	3,094
Total of legally enforceable commitments	<hr/>	<hr/>
	12,427	16,079
	<hr/>	<hr/>

b) Capital Grant Programmes

	2016	2015
	€000	€000
Opening balance	—	—
Grant paid in year	(8,729)	8,963
New grant commitments	8,729	8,963
Grant clawback	—	—
Closing balance	<hr/>	<hr/>
	—	—
	<hr/>	<hr/>

c) Major Capital Commitments

(projects costing €6,350,000 or more)

Project	Cumulative expenditure to 31 December 2015	Expenditure in 2016	Project commitments in subsequent years	Expected total spend lifetime of project 2016	Expected total spend lifetime of project 2015
	€000	€000	€000	€000	€000
National Children Detention Facility	53,100	1,233	2,107	56,440	56,440

3 Programme Expenditure by Subhead

		2016		2015
		Estimate provision	Outturn	Outturn
		€000	€000	€000
A	Children and Family Support Programme			
A.1	Administration – pay	2,881	2,448	2,340
A.2	Administration – non pay	439	279	238
A.3	Child and Family Agency			
	Current year provision	676,042		
	Deferred surrender	<u>2,500</u>		
		678,542	678,996	662,690
A.4	Youth Justice – Children Detention Schools			
	Current year provision	22,551		
	Deferred surrender	<u>1,000</u>		
		23,551	22,869	29,343
		705,413	704,592	694,611

Significant variations

Overall, the final outturn in relation to Programme A was €0.821 million less than provided. In the latter part of 2016, and based on an analysis of overall expenditure and demand trends, the Department with the prior approval of the Department of Public Expenditure and Reform vired savings on various subheads within the vote to meet additional demands on other subheads.

Description	Less/(more) than provided	Explanation
	€000	
Administration – non pay	160	The variation arose due to non pay administration costs associated with running the Department, particularly in relation to travel & subsistence, training and development and consultancy projects, being lower than expected.

		2016		2015
		Estimate provision	Outturn	Outturn
		€000	€000	€000
B	Sectoral Programmes for Children and Young People			
B.1	Administration – pay	2,881	2,581	2,420
B.2	Administration – non pay	439	286	220
B.3	ECCE preschool year programme	233,000	223,751	177,082
B.4	General childcare programmes	102,759	74,755	78,399
B.5	Childcare initiatives (cash-limited)	8,363	6,462	5,780
B.6	Youth organisations and services (part funded by the National Lottery)	54,895	53,607	51,485
B.7	Area based childhood programme	3,650	3,650	3,400
B.8	Intervention programmes for children and young people (Dormant accounts funded)	4,604	1,545	759
		410,591	366,637	319,545

Significant variations

Overall, the final outturn in relation to Programme B was €43.954 million less than provided. In the latter part of 2016 and based on an analysis of overall expenditure and demand trends, the Department with the prior approval of the Department of Public Expenditure and Reform vired savings on various subheads within the vote to meet additional demands on other subheads.

Description	Less/(more) than provided	Explanation
	€000	
Administration – non pay	153	The variation arose due to non pay administration costs associated with running the Department, particularly in relation to travel & subsistence, training and development and consultancy projects, being lower than expected.
ECCE preschool year programme	9,249	The ECCE scheme eligibility criteria were amended in September 2016. As a result, the entry age was lowered. In addition, a second year was introduced as well as increases in capitation levels. The combination of these changes meant that an increase in expenditure was anticipated. This increase, whilst difficult to fully predict, is reflected in the outturn although it is noted that a variation from the estimated provision did arise.
General childcare programmes	28,004	The majority of the savings related to participation by disadvantaged parents in the demand led Community Subvention programme being considerably lower than expected. The programme had capacity for 33,000 places whereas only 23,418 places were availed of. Savings also materialised under the Childcare Education Training Support programme which provides supports for eligible parents completing ETB/Solas training courses.

Description	Less/(more) than provided	Explanation
	€000	
Childcare initiatives (cash-limited)	1,901	The variance arose because the number of qualifying social welfare recipients for entry to the After School Childcare Programme and the Community Employment Childcare Programme were lower than originally projected.
Intervention programmes for children and young people (Dormant accounts funded)	3,059	The primary reason savings arose was due to delays in finalising the Quality and Capacity Building Initiative (QCBI). The QCBI is an ambitious initiative to ensure that the learning from the original Area Based Childhood Initiative and similar programmes is mainstreamed into established areas of policy and service provision. A more strategic, sequenced and differentiated approach involving significant consultation across a range of service providers and policy makers was required and this took longer than expected to complete during 2016.

		2016		2015
		Estimate provision	Outturn	Outturn
		€000	€000	€000
C	Policy and Legislation Programme			
C.1	Administration – pay	4,907	4,332	3,949
C.2	Administration – non pay	751	732	728
C.3	Miscellaneous legal fees and settlements	889	—	15
C.4	National Longitudinal Study and other research programmes	3,283	1,470	1,814
C.5	Children’s and young people’s policy framework and other programmes	4,660	3,146	2,238
C.6	Adoption Authority of Ireland	3,328	3,401	3,147
C.7	Office of the Ombudsman for Children	2,154	1,800	1,650
C.8	Commission of Investigation	6,000	2,318	1,676
		25,972	17,199	15,217

Description	Less/(more) than provided	Explanation
	€000	
Miscellaneous legal fees and settlements	889	The disbursement of payments associated with legal proceedings are generally difficult to predict. Costs associated with the challenge to the Children Referendum did not materialise in 2016.
National Longitudinal Study and other research programmes	1,813	The estimate included provision for a payment of €3.283m in 2016 in relation to the Growing Up in Ireland study. Progress on the study was slower than expected during 2016 and payments amounted to €1.313 million.
Children’s and young people’s policy framework and other programmes	1,514	This subhead supports a range of programmes where the level of expenditure for the provision of some services was lower than estimated. The most significant share of savings arose from Children First Initiative (€300,000), Children and Young People’s Service Committees (€200,000), E-learning Tusla (€80,000). In addition, €375,000 remained unallocated and was returned to the exchequer.
Office of the Ombudsman for Children	354	The variation was principally due to delays in the recruitment of staff.
Commission of Investigation	3,682	The Commission of Investigation into Mother and Baby Homes was still in its initial phases having been established in 2015. The work of the Commission was advanced in 2016 but expenditure levels were lower than anticipated.

4 Receipts

4.1 Appropriations-in-aid	2016		2015
	Estimated	Realised	Realised
	€000	€000	€000
1. Superannuation scheme – Child and Family Agency	9,070	8,723	9,182
2. Superannuation scheme for non-teaching staff of Children Detention Schools	550	536	556
3. Superannuation scheme – Adoption Authority of Ireland	1	—	—
4. Superannuation scheme – Office of the Ombudsman for Children	2	—	—
5. Miscellaneous	874	974	1,034
6. Dormant accounts funding	4,604	1,545	759
7. Receipts from pension related deduction on public service remuneration	10,349	10,229	13,067
Total	25,450	22,007	24,598

Explanation of significant variations

An explanation is provided below in the case of each heading where the outturn varied from the amount estimated by more than €100,000, and by more than 5%.

Description	Less/(more) than estimated	Explanation
	€000	
Miscellaneous	(100)	The allocation relates in the main to Tusla miscellaneous appropriation-in-aid receipts. The allocation was set in reference to the levels in place in the HSE Vote at the establishment of Tusla in 2014. The receipts are variable in nature resulting in a difficulty in fully estimating the anticipated level in any given year.
Dormant accounts funding	3,059	The drawdown funding is linked to payments under Subhead B.8 Intervention programmes for children and young people (Dormant accounts funded). Expenditure under this subhead was lower than expected and this resulted in lower receipts.

4.2 Extra receipts payable to the Exchequer

An amount of €2.419 million was lodged to the Exchequer arising from decommitment of funds allocated to projects across a number of programmes administered by Pobal, Child and Family Agency (Tusla) and the Education and Training Boards on behalf of the Department in the years prior to 2016.

	2016	2015
	€000	€000
Balance at 1 January	—	—
Receipts	2,419	11,053
Transferred to the Exchequer	(2,419)	(11,053)
Balance at 31 December	—	—

5 Employee Numbers and Pay

	2016	2015
Number of staff at year end (full time equivalents)		
Department	178	149
Commission of Investigation	22	16
Agencies (note 5.2)	3,882	3,694
	4,082	3,859

	2016	2015
	€000	€000
Pay	9,926	9,044
Higher, special or additional duties allowance	101	125
Other allowances	—	1
Overtime	31	31
Employer's PRSI	622	530
Total pay	10,680	9,731

Payroll costs associated with the Commission of Investigation were charged to Subhead C.8 of the Vote. This amounted to €1.32 million in 2016 and is included in total pay figure of €10.68 million.

5.1 Allowances and Overtime Payments

	Number of recipients	Recipients of €10,000 or more	Maximum individual payment 2016 €	Maximum individual payment 2015 €
Higher, special or additional duties	15	3	17,949	18,639
Other allowances	4	—	112	234
Overtime	20	—	7,197	8,372
Extra remuneration in more than one category	4	1	10,130	10,961

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

5.2 Agency Staff

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

	2016	2015
Number of staff at year end (full time equivalents)		
Child and Family Agency	3,597	3,446
Oberstown Children Detention Campus	247	215
Adoption Authority of Ireland	24	22
Office of the Ombudsman for Children	14	11
Total	3,882	3,694

	2016	2015
Pay	€000	€000
Child and Family Agency	239,081	225,935
Oberstown Children Detention Campus	18,490	13,635
Adoption Authority of Ireland	1,583	1,558
Office of the Ombudsman for Children	826	632
Total pay	259,980	241,760

5.3 Payroll Overpayments

Payroll overpayments in respect of Department and Commission of Investigation staff at the year end were €19,522 (17 cases) (2015: €16,709, 7 cases). Of this, €14,762 (4 cases) have recovery plans in place. The remaining 13 cases involve staff who have left the Department and recovery of overpayments is now a matter for the National Shared Services Office.

5.4 Severance and Redundancy Payments

Redundancy and severance payments amounting to €142,000 were made to five staff members who were formerly employed as Ministerial staff.

6 Miscellaneous

6.1 National Lottery Funding

		2016	2015
		€000	€000
Sub-head	Description		
B.6	Youth organisations and services (part funded by the National Lottery)	53,592	51,485

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

6.2 Payments to Pobal

In accordance with the Department's accounting policy, the total amount paid to Pobal in the year (€223 million) was charged to the relevant subheads as set out below.

At 31 December 2016, Pobal held funds totaling €8.167 million which had been advanced to it but not expended at year end (2015:€7.132 million)

		2016	2015
		€000	€000
	Subhead		
B.3	ECCE preschool year programme	126,906	8,891
B.4	General childcare programmes	73,646	77,992
B.5	Childcare initiatives (cash-limited)	6,462	5,779
B.6	Youth organisations and services (part funded by the National Lottery)	10,276	10,299
B.7	Area based childhood programme	3,650	3,400
B.8	Intervention programme for children and young people (Dormant A/C funded)	1,030	—
C.5	Children's and young people's policy framework and other programmes	640	608
	Total paid to Pobal	222,610	106,969

B7 – In addition to the €3.65 million advanced to Pobal from the Department, a further €6 million was advanced from Atlantic Philanthropies in respect of the same programme. An unspent balance of €2.8 million was held by Pobal at 31 December 2016.

6.3 Legal costs

					2016	2015
	Number of cases	Legal costs paid by the Department	Compensation awarded	Legal costs awarded	Total	Total
		€000	€000	€000	€000	€000
Claims by employees of the Department						
Injury in the course of work	16	31	110	35	176	53
Claims by members of the public						
Child care proceedings	—	—	—	—	—	15
Legal challenge	2	—	—	72	72	84
Personal injury claim	1	—	—	—	—	—
	19	31	110	107	248	152

6.4 Contingent Liability

Liabilities will arise as a result of the legal challenge to the outcome of the Children Referendum. The petitioner was awarded one third of her legal costs by the High Court in November 2013 but the actual amount and the timing of the payment remain to be determined. The Department currently awaits hearing from the Chief State Solicitors Office in the matter.

6.5 Commission of Investigation

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

	Year of appointment	Cumulative expenditure to end 2016	2016 Outturn	2015 Outturn
		€000	€000	€000
Fixed Term and Fixed Purpose Commissions				
C8 — Commission of Investigation – Mother and Baby Homes	2015	3,994	2,318	1,676

6.6 Carryover of Funding

Under the provision of Section 91 of the Finance Act 2004, €1.64 million of unspent allocation in respect of the capital elements of Subhead B.4 was carried forward to 2017.