

## **Appropriation Account 2016**

---

### **Vote 26**

### **Education and Skills**

---

## Introduction

As Accounting Officer for Vote 26, I am required each year to prepare the appropriation account for the Vote, and to submit the account to the Comptroller and Auditor General for audit.

In accordance with this requirement, I have prepared the attached account of the amount expended in the year ended 31 December 2016 for the salaries and expenses of the Office of the Minister for Education and Skills, for certain services administered by the Office, and for the payment of certain grants.

The expenditure outturn is compared with the sums granted by Dáil Éireann under the Appropriation Act 2016, including the amount that could be used as appropriations-in-aid of expenditure for the year.

A surplus of €14.65 million is liable for surrender to the Exchequer.

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

### ***Appropriation account structure***

Expenditure on education services in 2016 is accounted for under Vote 26 across four main subhead headings and covers both current and capital expenditure.

Administration costs are also identified under individual headings as well as being apportioned across the four expenditure headings, in conformance with the performance budgeting approach introduced for all Government departments. The four programmes are as follows:

- Programme A – which caters for first, second and early years education
- Programme B – which caters for skills development
- Programme C – which caters for higher education
- Programme D – which caters for capital services.

The Department's gross expenditure is offset by appropriations-in-aid which are brought to account in subheads E.1 to E.5.

### ***Public sector reform***

In response to the mandate provided in the Government's Public Service Reform Plans, published in 2011 and 2014, the Department developed and published its Integrated Reform Delivery Plans and a Shared Services Plan for 2014 - 2016.

The Shared Services plan proposes that the Department actively participates in the roll out of traditional shared services for the Civil Service and commits to also investigate all possible opportunities for shared services initiatives across the entire education and training sector.

The key projects which have been progressed during 2016 were:

- Payroll Shared Services for the Education and Training Board (ETB) sector. The project advanced to detailed design in 2016, including the development of detailed requirements, procurement approach and implementation strategies. Implementation to commence during 2017.
- Financial Shared Services for ETB sector. The project business case was completed in 2015. During 2016, detailed requirements and design were commenced and interim solutions for e-invoicing and procurement cards were implemented. Procurement approach and implementation strategies to be developed in 2017.
- HR/Payroll Shared Services for higher education sector. The project business case was completed in 2015. During 2016, progress has been made on upgrading common HR/payroll systems in preparation for the next stage of the project.
- The development of procurement initiatives to support the operation of the Office of Government Procurement model continued in 2016. In 2017, the Department will explore how these initiatives can be further developed to provide a single procurement service to the education sector.

### ***Reform of Education and Training Boards/SOLAS***

The ETB/SOLAS Reform Programme, which consists of 17 individual projects, is supported and governed by a programme board. This board is chaired by me in my capacity as Secretary General and its membership includes members of the Department's Management Board along with the General Secretary of Education and Training Boards Ireland, the Director General of SOLAS and the Chief Executives of two ETBs.

The ongoing reconfiguration of the ETBs continued throughout 2016 with a number of key targets met during 2016 including implementation of a new organisational structure for the ETBs, completion of the transfer of functions and rollout of a government network connection to most of the ETB head offices and training centres.

The annual accounts of the ETBs and of SOLAS are audited by the Comptroller and Auditor General.

## **Statement of Accounting Policies and Principles**

The standard accounting policies and principles for the production of appropriation accounts have been applied in the preparation of the account except for the following:

### ***Multi-annual capital commitments***

Legally enforceable capital commitments are reported on at the threshold of €12.7 million under sanction from the Department of Public Expenditure and Reform (DPER) - (S14/03/06).

### ***Assets not under the direct control of the Department***

Assets which are not under the direct control of the Department are not included as assets for the purposes of the statement of capital assets but are referenced by way of note to the account under sanction from DPER - (F7/11/94).

## **Statement on Internal Financial Control**

Along with the account, I have submitted a statement in the standard format on the system of internal financial control (SIFC) that operates in the Department of Education and Skills.

### ***Responsibility for system of internal financial control***

As Accounting Officer, I acknowledge my responsibility for ensuring that an effective system of internal financial control is maintained and operated by the Department.

This responsibility is exercised in the context of the resources available to me and my other obligations as Secretary General. Also, any system of internal financial control can provide only reasonable and not absolute assurance that assets are safeguarded, transactions authorised and properly recorded, and that material errors or irregularities are either prevented or would be detected in a timely manner. Maintaining the system of internal financial control is a continuous process and the system and its effectiveness are kept under ongoing review.

### ***Financial control environment***

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

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

### ***Internal Audit, European Social Fund Audit and Audit Committee***

Annual audit programmes are prepared under the auspices of the Department's Audit Committee and both the Internal Audit Unit and the European Social Fund (ESF) Audit Authority (which ensures compliance with the regulatory requirements of the European Union in relation to the management, control and audit of such functions in Ireland) report to the Committee on the conduct of these programmes and the finalisation of audit reports. During 2016, a total of twelve ESF and Internal Audit reports were finalised. Progress on the implementation of recommendations arising from the audit reports is tracked, by both units, on a quarterly basis.

The Audit Committee, the Internal Audit Unit and the ESF Audit Authority operate under separate written charters.

### ***Administrative controls and management reporting***

I confirm that a framework of administrative procedures and regular management reporting is in place including segregation of duties and a system of delegation and accountability and, in particular, that:

- there is an appropriate budgeting system with an annual budget which is kept under review by senior management
- there are regular reviews by senior management of periodic and annual financial reports which indicate financial performance against forecasts
- a risk management system operates within the Department
- there are systems aimed at ensuring the security of the ICT systems
- there are appropriate capital investment control guidelines and formal project management disciplines.

### ***Public procurement***

The Department seeks to ensure that there is an appropriate focus on good practice in purchasing and that procedures are in place for compliance with all relevant guidelines. The Department is compliant with all relevant guidelines regarding procurement with the exception of procurement totalling €1.47 million, which is made up of the following:

- twenty four services and purchases with a total contract value of €102,728 were undertaken or contracts extended in 2016 without recourse to an appropriate procurement process
- six contracts in the value range €25,000 to €60,000, four contracts in the value range €100,000 to €200,000 per annum, and one contract over €500,000 per annum were undertaken without a competitive process and details were provided to the Comptroller and Auditor General and the Department of Public Expenditure and Reform in the Circular 40/2002 return.

These exceptions occurred for several reasons including contract extensions pending the establishment of centralised public service arrangements, sole/limited supplier availability and business continuity. All cases are being kept under active review and action is being taken where feasible. Additionally, the Department is proactively engaged with the procurement reform programme and is taking the opportunity to use centralised contracts and frameworks where appropriate.

### ***Assurances on shared services***

Payroll and human resources functions are provided on a shared services basis by the National Shared Services Office (Vote 18). The Secretary General of the Department of Public Expenditure and Reform is the Accounting Officer for Vote 18 and is responsible for the operation of controls within the Shared Services Centres.

The Accounting Officer for Shared Services has put in place an audit process to provide independent assurance on the operation of controls within shared services. The audits are being conducted by firms of accountants in accordance with the International Standard on Assurance Engagements (ISAE 3402) which is designed to report to user departments and their auditors on the controls within shared services.

The audits encompass (i) a readiness assessment to identify risks and related controls and provide a gap analysis, followed by (ii) a report on the design and existence of controls, and (iii) an annual report on whether controls operated effectively.

The Accounting Officer for shared services has provided me with a letter outlining progress in implementing the audit assurance process and the results of the audits on the design, existence and operation of controls are expected to be reported to me as set out in that letter.

I take assurance from the system of control within shared services as reported to me by the Accounting Officer for Shared Services.

### ***Significant financial risks***

The Department continues to have regard to significant financial and other risks via the mechanism of the Departmental risk register. The register is a living document and is updated to take account of new risks identified or of changes to existing risks. It is used by the Internal Audit Unit in the assessment of risk within the Department's audit universe to assist in focusing its resources on the auditing of the Department's highest risks.

### ***Risk management***

In accordance with its Corporate Governance Framework, the Department established a Risk Committee in quarter one 2016. The Risk Committee is a sub-committee of the Management Board and comprises a number of Deputy/Assistant Secretaries General, heads of business units which have identified significant risks on the Department's risk register and an external expert representative nominated by the Management Board.

The role of the Risk Committee is to advise the Management Board on risk management strategy and on the development and oversight of an appropriate framework of policies, procedures and systems to support the effective management of risk within the Department.

During 2016, the Risk Committee oversaw the development of a Risk Management Policy and Risk Appetite Statement for the Department of Education and Skills for approval in early 2017.

### ***Corporate governance framework***

During 2016, the Department of Education and Skills continued to work to enhance the Department's governance capacity. In conjunction with the November 2015 publication by the Department of Public Expenditure and Reform of the Corporate Governance Standard for the Civil Service, the Department developed a corporate governance framework. The Department's framework, which was published in April 2016, describes the key details of the Department's governance processes, structures and procedures.

In tandem with the production of governance standards across the Civil Service, relevant staff of the Department have become members of the Governance Forum for Civil and Public Servants. The forum, which is run by the Institute of Public Administration, promotes good governance in the public interest and aids the Department with the supply of timely advice, information and supports to enhance good governance.

### ***Education sector corporate governance***

Arising from work commenced in 2014/2015, in 2016 the Department worked to strengthen its approach to managing governance across the Education Sector. Oversight on governance is led by the Management Board Committee on Sectoral Governance and Accountability. This committee considers and rolls out approaches to enhancing the Department's oversight role in regard to bodies and the wider education sector. Additionally, during 2016 and early 2017, the Department's Sectoral Governance Compliance Unit made significant progress to enhance corporate governance oversight via a pilot programme of work which commenced with a series of governance compliance checks on bodies under the remit of the Department. Work on phase one of the review process is expected to be completed during early quarter two of 2017.

Arising from the publication in August 2016 of the revised Code of Practice for the Governance of State Bodies, the Department has worked with the Institute of Public Administration to deliver training to staff of the Department to ensure that the enhanced oversight conditions as laid out in the 2016 Code can be satisfied, where appropriate, by the Department and its agencies. Additionally, the Department is working to establish the level of progress by its non-commercial state bodies in regard to their capacity to adhere to the Department of Public Expenditure and Reform's 2016 Code.

The Department continues to work on advancing the development of robust reporting arrangements with its bodies and agencies in order to manage their performance and governance. This work encompasses an approach that focuses on outputs and outcomes and includes meaningful performance indicators so as to ensure that resources are used both in an effective and efficient manner to deliver quality services to the public.

#### ***Regulation of Lobbying Act 2015***

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

The Department of Education and Skills publishes a list of all DPOs within the Department on its website and provides updates to each DPO every four months on lobbying activity which has occurred in the previous period and registered on [www.lobbying.ie](http://www.lobbying.ie). In addition, the Department publishes on its website the membership and details of meetings of relevant committees and working groups which are exempted under the Regulation of Lobbying Act Transparency Code.

#### ***Protected Disclosures Act 2014***

In 2016, the Department produced internal guidance and procedures for use by sections when receiving potential protected disclosures within the Department. Staff at Principal Officer level and equivalent received training on the operation of the Department's guidance in quarter two 2016. The Department's Corporate Governance Unit is responsible for the recording and tracking of disclosures made and liaises with Internal Audit Unit and the Management Board in overseeing this process. A report is published annually on the Department's website providing an account of all disclosures received in the Department and their status.

***Data management***

During 2016, the Department developed a new data strategy with a view to enabling data to be used to best effect to support and inform the development and implementation of education policy. The strategy was published in quarter one 2017.

The new strategy sets out four key objectives and these are to:

- build (staff and organisational) data capacity and capability
- strengthen data management
- strengthen data related collaboration
- maximise the use and value of data.

Each of the first three objectives will support the achievement of the fourth. The aim is to use data to optimum effect to enable us to be responsive to the changing needs of learners, society, and the economy in an open and accountable way, to anticipate and predict future challenges and to accurately direct resources and as a consequence, contribute to the achievement of better education outcomes.

**Seán Ó Foghlú**

Accounting Officer

Department of Education and Skills

5 September 2017

## **Comptroller and Auditor General**

### **Report for presentation to the Houses of the Oireachtas**

#### **Vote 26 Education and Skills**

I have audited the appropriation account for Vote 26 Education and Skills for the year ended 31 December 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 26 Education and Skills 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 Education and Skills. The appropriation account is in agreement with the accounting records.

**Seamus McCarthy**  
Comptroller and Auditor General

25 September 2017

## Vote 26 Education and Skills Appropriation Account 2016

		2016		2015
		Estimate provision		Outturn
		€000	€000	€000
A	First, Second and Early Years Education			
	<i>Original</i>	6,283,086		
	<i>Supplementary</i>	7,000	6,290,086	6,258,807
B	Skills Development		339,834	336,212
C	Higher Education			
	<i>Original</i>	1,514,937		
	<i>Supplementary</i>	11,000	1,525,937	1,535,860
D	Capital Services			
	<i>Original</i>	572,105		
	<i>Supplementary</i>	100,000	672,105	682,575
<b>Gross expenditure</b>				
	<i>Original</i>	8,709,962		
	<i>Supplementary</i>	118,000	<b>8,827,962</b>	<b>8,813,454</b>
<i>Deduct</i>				
E	<b>Appropriations-in-aid</b>			
	<i>Original</i>	505,309		
	<i>Supplementary</i>	(18,000)		
			<b>487,309</b>	<b>487,448</b>
<b>Net expenditure</b>				
	<i>Original</i>	8,204,653		
	<i>Supplementary</i>	136,000		
			<b>8,340,653</b>	<b>8,326,006</b>
				<b>8,177,896</b>

### Surplus for surrender

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

	2016	2015
	€	€
Surplus to be surrendered	14,646,701	9,228,648

**Analysis of administration expenditure**

		<b>2016</b>	<b>2015</b>
		<b>Estimate provision</b>	<b>Outturn</b>
		<b>€000</b>	<b>€000</b>
i	Salaries, wages and allowances	58,450	56,649
ii	Travel and subsistence	1,670	1,443
iii	Training and development and incidental expenses	1,317	1,072
iv	Postal and telecommunications services	1,800	2,150
v	Office equipment and external IT services	5,794	5,116
vi	Office premises expenses	1,600	1,603
vii	Consultancy and other services	130	125
viii	National Educational Psychological Service	18,250	16,848
		89,011	85,006
			85,844

## Notes to the Appropriation Account

### 1 Operating Cost Statement 2016

	2016		2015
	€000	€000	€000
Expenditure on administration		85,006	85,844
Expenditure on services and programmes		8,728,448	8,640,868
<b>Gross expenditure</b>		<b>8,813,454</b>	<b>8,726,712</b>
<i>Deduct</i>			
<b>Appropriations-in-aid</b>		<b>487,448</b>	<b>548,816</b>
<b>Net expenditure</b>		<b>8,326,006</b>	<b>8,177,896</b>
<b>Changes in capital assets</b>			
Purchases cash	(28,092)		
Depreciation	780		
Loss on disposals	3	(27,309)	(7,527)
<b>Changes in assets under development</b>			
Cash payments		(112,125)	(84,046)
<b>Changes in net current assets</b>			
Decrease in closing accruals	(15,704)		
Increase in stock	(26)		
		(15,730)	1,291
<b>Direct expenditure</b>		<b>8,170,842</b>	<b>8,087,614</b>
<b>Expenditure borne elsewhere</b>			
Net allied services expenditure (note 1.1)		27,162	25,829
Notional rents		4,073	3,898
<b>Net programme cost</b>		<b>8,202,077</b>	<b>8,117,341</b>

#### 1.1 Net Allied Services Expenditure

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

	2016	2015
	€000	€000
Vote 9 Office of the Revenue Commissioners	249	243
Vote 12 Superannuation and Retired Allowances	19,531	19,405
Vote 13 Office of Public Works	5,743	5,021
Vote 18 National Shared Services Office	1,358	809
Central Fund – Ministerial pensions	281	351
	<b>27,162</b>	<b>25,829</b>

## 2 Balance Sheet as at 31 December 2016

	Note	2016 €000	2015 €000
<b>Capital assets</b>	2.2	98,498	71,357
<b>Capital assets under development</b>	2.3	140,121	82,364
		<b>238,619</b>	<b>153,721</b>
<b>Current assets</b>			
Stocks <sup>a</sup>		147	121
Prepayments	2.5	16,942	1,014
Overpayments for recoupment	5.5	6,051	6,825
Recoupment of secondment costs		151	141
Amounts due from the EU		23	15
Other debit balances	2.6	2,205	3,573
Bank and cash	2.4	22,707	72,520
<b>Total current assets</b>		<b>48,226</b>	<b>84,209</b>
<b>Less current liabilities</b>			
Accrued expenses		17,048	10,924
Deferred income		—	13
Salary recoupment to other departments and agencies		48	—
Advances received from EU		13,767	46,279
Other credit balances	2.7	788	26,448
Net liability to the Exchequer	2.8	10,380	3,381
<b>Total current liabilities</b>		<b>42,031</b>	<b>87,045</b>
<b>Net current assets/(liabilities)</b>		<b>6,195</b>	<b>(2,836)</b>
<b>Net assets</b>		<b>244,814</b>	<b>150,885</b>
<b>Represented by:</b>			
<b>State funding account</b>	2.1	<b>244,814</b>	<b>150,885</b>

<sup>a</sup> Stocks consist of stationery €87,000 (2015: €63,000) and IT consumables €60,000 (2015: €58,000).

2.1 State Funding Account	Note	2016		2015
		€000	€000	€000
Balance at 1 January			150,885	188,625
Disbursements from the Vote				
Estimate provision	Account	8,340,653		
Surplus to be surrendered	Account	(14,647)		
Net vote			8,326,006	8,177,896
Expenditure (cash) borne elsewhere	1		27,162	25,829
Non-cash expenditure – notional rent	1		4,073	3,898
Other non-cash items <sup>a</sup>	2.2		(61,235)	(128,022)
Net programme cost	1		(8,202,077)	(8,117,341)
<b>Balance at 31 December</b>			<b>244,814</b>	<b>150,885</b>

<sup>a</sup> The non-cash items relate to the accounting treatment for the disposal by the Department of construction assets valued at €63.02 million and the transfer of properties to the Department valued at €1.785 million under the redress indemnity agreement.

## 2.2 Capital assets

	Land and buildings	Furniture and fittings	Office equipment	Total
	€000	€000	€000	€000
<b>Gross assets</b>				
Cost or valuation at 1 January 2016	69,726	7,465	17,781	94,972
Additions	88,204	24	2,716	90,944
Disposals <sup>a</sup>	(63,020)	(3)	(210)	(63,233)
Cost or valuation at 31 December 2016	94,910	7,486	20,287	122,683
<b>Accumulated depreciation</b>				
Opening balance at 1 January 2016	—	7,192	16,423	23,615
Depreciation for the year	—	60	720	780
Depreciation on disposals	—	(3)	(207)	(210)
Cumulative depreciation at 31 December 2016	—	7,249	16,936	24,185
<b>Net assets at 31 December 2016</b>	<b>94,910</b>	<b>237</b>	<b>3,351</b>	<b>98,498</b>
<b>Net assets at 31 December 2015</b>	<b>69,726</b>	<b>273</b>	<b>1,358</b>	<b>71,357</b>

<sup>a</sup> The Department treats the transfer of the control of an asset to a school authority as a disposal for accounting purposes in this account. Ownership is not transferred. The schools transferred during 2016 were as follows:

<b>Name of School</b>	<b>Valuation</b> €
Gaelscoil Tulach na nÓg, Dunboyne, County Meath	5,595,756
Iomair National School, Kilmore, County Galway	2,744,063
Tullamore Educate Together National School, County Offaly	4,432,962
Wicklow Educate Together, Ballynerrin, County Wicklow	5,845,789
Scoil Caitlín Maude, Tallaght, Dublin 24	5,101,985
Cabra Primary School, Dublin 7	4,273,140
Esker Educate Together National School, Lucan, County Dublin	1,953,000
St. Corban's Boys National School, Naas, County Kildare	81,667
Gaelscoil Mhainistir na Corann, Middleton, County Cork	3,771,297
Caomhain Torrchoill, Tara Hill, Wexford	10
Ballymakenny College, Drogheda, County Louth	14,790,440
St Angela's College, St. Patrick's Hill, Cork	14,036,929
Meánscoil Iognáid Rís, Naas, County Kildare	163,333
St. Patricks Boys National School/Scoil Bríd Naofa, Ballinamore, County Leitrim	230,000
<b>Total</b>	<b><u>63,020,371</u></b>

**General Information Note****1. First level**

- 1.1 The total number of national schools in operation on 31 December 2016 was 3,252. With the exception of 1.3 (i) to 1.3 (iii) below, the majority of these schools are denominational and owned by the relevant diocesan authority.
- 1.2 59 first-level sites are owned and controlled/managed by the Minister for Education and Skills.
- 1.3 (i) 72 Gaelscoileanna and 33 multi-denominational schools are operating on sites owned by the Minister for Education and Skills in either permanent or temporary accommodation and are controlled/managed by boards of management. Three community national schools are operating on sites owned by the Minister for Education and Skills in either permanent or temporary accommodation and are controlled/managed by a single manager appointed by the Minister for Education and Skills, pending the appointment of a board of management.
- 1.3 (ii) Four multi-denominational sites and one Catholic school site and/or buildings are held by the Minister for Education and Skills under long term lease agreements but are controlled/managed by boards of management.
- 1.3 (iii) Nine model schools, owned/leased by the State, are controlled/managed by boards of management.
- 1.4 Following the enactment of the Children's Act 2001, one children's detention school remained vested in the Minister for Education and Skills. The process of transferring this school to the Child and Family Agency (Tusla) is underway. The school is managed by a board of management.
- 1.5 The Minister is one of two guarantors of Middletown Centre for Autism (Holdings) Limited, a company limited by guarantee, which owns and holds a property in Co. Armagh, which is used for the Middletown Centre for Autism.

**2. Second level**

- 2.1 25 sites for second-level schools are owned and controlled/managed by the Minister for Education and Skills.
- 2.1(i) 14 comprehensive schools, 82 community schools and four secondary schools owned by the Minister for Education and Skills are controlled/managed by boards of management.
- 2.1(ii) 240 vocational schools are vested in Education and Training Boards under the Education and Training Board Act 2013.
- 2.1(iii) 370 secondary schools are privately owned.

**2.3 Capital Assets under Development**

	<b>Construction contracts</b>	<b>In-house computer applications</b>	<b>Totals</b>
	<b>€000</b>	<b>€000</b>	<b>€000</b>
Amounts brought forward at 1 January 2016	80,805	1,559	82,364
Cash payments for the year	111,338	787	112,125
Transferred to asset register	(52,046)	(2,322)	(54,368)
Balance at 31 December 2016	<b>140,097</b>	<b>24</b>	<b>140,121</b>

**2.4 Bank and Cash**

at 31 December	2016	2015
	€000	€000
PMG balances and cash	22,255	72,278
Commercial banks	449	239
Petty cash	3	3
	<b>22,707</b>	<b>72,520</b>

**2.5 Prepayments**

at 31 December	2016	2015
	€000	€000
Advance to Waterford Institute of Technology <sup>a</sup>	9,934	—
Advance to Bus Éireann – school transport <sup>b</sup>	1,306	—
Rental of Temporary School Accommodation	2,729	—
Site Purchases	2,135	—
Other	838	1,014
	<b>16,942</b>	<b>1,014</b>

<sup>a</sup> The advance to Waterford Institute of Technology was not previously included in prepayments. In 2015, the balance was €10,836,640.

<sup>b</sup> The advance to Bus Éireann was not previously included in prepayments. In 2015, the balance was €1,342,000.

**2.6 Other Debit Balances**

at 31 December	2016	2015
	€000	€000
Agency payments to OPW	57	121
Superannuation related payovers	—	3
Recoupable salaries	193	214
Schools Broadband Programme	1,440	1,440
Travel passes	258	247
Due from the State	4	2
Shared offices' costs recoupment	102	99
Cycle to work scheme	59	56
Payroll suspense	—	180
Travel and subsistence advances	49	82
Due from the Redress Special Account	43	898
Other	—	231
	<b>2,205</b>	<b>3,573</b>

**2.7 Other Credit Balances**

at 31 December	2016	2015
	€000	€000
Due to the State	12	25,933
Pension refund	114	58
Energy building programme	319	394
Unallocated receipts control account	—	19
Cycle to work	4	2
Superannuation related payovers	219	—
Other	120	42
	<b>788</b>	<b>26,448</b>

**2.8 Net liability to the Exchequer**

at 31 December	2016	2015
	€000	€000
Surplus to be surrendered	14,647	9,229
Exchequer grant undrawn	(4,267)	(5,848)
<b>Net liability to the Exchequer</b>	<b>10,380</b>	<b>3,381</b>

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

Bank and cash	22,707	72,520
Other debit balances	2,201	3,571
Due from the State	4	2
Amounts due from the EU	23	15
	<b>24,935</b>	<b>76,108</b>

**Creditors**

Due to the State	(12)	(25,933)
Advances received from the EU	(13,767)	(46,279)
Other credit balances	(776)	(515)
	<b>(14,555)</b>	<b>(72,727)</b>

	<b>10,380</b>	<b>3,381</b>
--	---------------	--------------

**2.9 Commitments**

at 31 December	<b>2016</b>	<b>2015</b>
	<b>€000</b>	<b>€000</b>
<b>a) Global commitments</b>		
Procurement of goods and services	106	30
Grant programmes <sup>a</sup>	3,129,058	3,001,367
Capital grant programmes <sup>b</sup>	13,863	16,610
Capital projects <sup>c</sup>	439,073	587,600
Public Private Partnerships	1,619,222	1,426,400
Total legally enforceable commitments	<b>5,201,322</b>	<b>5,032,007</b>

<sup>a</sup> Grant programme commitments represent the voted amount of non-capital grants for 2017 (2015: amount voted for 2016).

<sup>b</sup> Capital grant programmes relate to grants that will be made to aegis bodies for capital projects, such as to universities, institutes of technology and education and training boards.

<sup>c</sup> Capital projects are managed and overseen by the Department itself.

<b>b) Capital grant programmes</b>	<b>2016</b>	<b>2015</b>
	<b>€000</b>	<b>€000</b>
Opening balance	16,610	13,128
New grant funding in year	6,559	4,157
Grants paid out in year	(9,306)	(675)
<b>Closing balance</b>	<b>13,863</b>	<b>16,610</b>

## c) Major capital commitments

Capital projects involving total expenditure of €12,697,380 or more

	Cumulative expenditure to 31 December 2015 €000	Expenditure in 2016 €000	Project commitments in subsequent years €000	Expected total spend lifetime of project 2016 €000	Expected total spend lifetime of project 2015 €000
<b>Subhead D.3</b>					
1. Hansfield Educate Together Secondary School, Dublin 15	11,387	5,208	268	16,863	16,438
2. Carrickphierish Campus, Waterford	14,500	89	183	14,772	14,747
3. St Colmcille's, Dublin 16	16,238	–	589	16,827	16,827
4. Ardgillan Community College, Balbriggan, Co Dublin	13,341	200	48	13,589	13,589
5. Temple Carrig Secondary School, Wicklow	12,596	89	120	12,805	12,806
6. Colaiste Ghlór na Mara, Balbriggan, Co Dublin	1,614	13,303	1,455	16,372	16,372
7. St John's Primary School, Drogheda, Co Louth	2,680	4,807	6,994	14,481	14,279
8. Le Chéile Secondary School, Mulhuddart, Dublin 15	688	14,304	1,290	16,282	16,282
9. Portlaoise Parish School, County Laois	4,281	4,914	3,802	12,997	–
10. St. Angela's College, Cork	11,868	1,171	283	13,322	–
11. Newpark Comprehensive Blackrock, County Dublin	13,687	–	169	13,856	–
12. Carrigaline Post Primary School, County Cork <sup>a</sup>	–	8,966	4,281	13,247	–
13. Dun an Ri College, Kingscourt, Cavan <sup>a</sup>	–	4,666	10,107	14,773	–
<b>Subtotal D.3</b>	<b>102,880</b>	<b>57,717</b>	<b>29,589</b>	<b>190,186</b>	<b>121,340</b>
<b>Subhead D.4</b>					
14. Grangegorman campus – site infrastructure and public realm	30,073	2,213	–	32,286	30,078
<b>Subtotal D.4</b>	<b>30,073</b>	<b>2,213</b>	<b>–</b>	<b>32,286</b>	<b>30,078</b>
<b>Total</b>	<b>132,953</b>	<b>59,930</b>	<b>29,589</b>	<b>222,472</b>	<b>151,418</b>

<sup>a</sup> Two new schools' projects commenced during 2016 – Carrigaline post-primary school and Dun an Ri College, Cavan.

**Significant variations**

An explanation is provided below where projected total expenditure increased by more than €500,000 from 2015 to 2016.

<b>Project</b>	<b>Total projected cost (increase) in 2016</b>	<b>Explanation</b>
	<b>€000</b>	
9. Portlaoise Parish School, County Laois	(12,997)	Projected total expenditure of €13 million at the end of 2015 was inadvertently not included in the 2015 list of projects exceeding €12,697,380, as fees expenditure of €748,600 had been omitted from the 2015 calculation of the project costs.
10. St. Angela's College, Cork	(13,322)	Projected total expenditure of €12.4 million at the end of 2015 was below the threshold for inclusion in the 2015 list of projects exceeding €12,697,380. The threshold was reached in 2016 due to the approval of additional works and fees of €902,400.
11. Newpark Comprehensive, Blackrock, County Dublin	(13,856)	Projected total expenditure of €13.8 million at the end of 2015 was inadvertently not included in the 2015 list of projects exceeding €12,697,380, as fees of €1.3 million had been omitted from the calculation of the total project cost.
14. Grangegorman campus – site infrastructure and public realm	(2,208)	The Grangegorman campus development is managed by the Grangegorman Development Agency (GDA) and is funded by the Department and from other sources – including the Dublin Institute of Technology (DIT). While the Department has committed to contributing to a number of elements of the development, its contribution to the site infrastructure and public realm (SIPR) element is the only place where the commitment exceeds €12.6 million – and falls to be disclosed in this note. During 2016, the Department agreed to increase its contribution to SIPR to fund an additional cost that arose from a conciliation settlement between the GDA and a contractor. The Department also increased its contribution to SIPR following a review of funding arrangements for the various elements of the development. The Department's overall commitment increase to SIPR of €2.2 million has been matched by a corresponding decrease in its commitments on other Grangegorman projects – which will now be funded by DIT.

**d) Costs of public private partnership projects**

The Department has to date entered into eight separate contracts to design, build, finance, maintain and operate educational accommodation under the Public Private Partnership (PPP) model. PPPs are structured arrangements between public sector bodies and private sector investors for the purpose of providing infrastructure projects that would otherwise be delivered through traditional procurement mechanisms with all related construction expenditure being made up front. The costs are paid by the Department in the form of monthly unitary charges spread over 25 years, with the first unitary charge being paid once construction has been completed.

	Expenditure to 31 December 2015	Expenditure in 2016	Legally enforceable commitments to be met in subsequent years	Project total 2016	Project total 2015 restated <sup>a</sup>
	€000	€000	€000	€000	€000
1. National Maritime College of Ireland PPP	104,600	7,741	75,484	187,825	188,200
2. Five Pilot Schools Bundle	150,500	10,832	129,139	290,471	291,800
3. Cork School of Music	77,100	8,277	137,046	222,423	221,900
4. 1st Bundle PPP Schools	54,600	9,099	181,937	245,636	246,300
5. 2nd Bundle PPP Schools	63,400	12,295	266,728	342,423	344,400
6. 3rd Bundle PPP Schools	40,600	14,767	355,036	410,403	412,000
7. 4th Bundle PPP Schools	—	13,967	205,348	219,315	212,600
8. 5th Bundle PPP Schools <sup>b</sup>	—	—	268,504	268,504	—
	<b>490,800</b>	<b>76,978</b>	<b>1,619,222</b>	<b>2,187,000</b>	<b>1,917,200</b>

<sup>a</sup> The Department of Public Expenditure and Reform directed that, in respect of expenditure from 2016 onwards, all unitary charge payments would be classified as capital for accounting purposes. The project totals for 2015 in the table above have been restated to include non-capital unitary charges that were previously excluded.

<sup>b</sup> The contract for Schools Bundle 5 was signed in July 2016.

**Significant variations**

An explanation is provided below where projected total expenditure increased or decreased by more than €500,000 from 2015 to 2016.

<b>Project</b>	<b>Total projected cost (increase)/ decrease in 2016</b>	<b>Explanation</b>
	<b>€000</b>	
2. Five Pilot Schools Bundle	1,329	This decrease arises primarily as a result of the annual review of unitary charge projections for the bundle which in turn is generated by the annual indexation review. In the case of the Pilot Bundle, a higher percentage of the unitary charge is subject to indexation than is the case with other bundles. In that context, there is a greater degree of year-to-year fluctuations in projections for this bundle.
3. Cork School of Music	(523)	This increase arises primarily as a result of the annual review of unitary charge projections for the bundle which in turn is generated by the annual indexation review.
4. 1st Bundle PPP Schools	664	This decrease arises primarily as a result of the annual review of unitary charge projections for the bundle which in turn is generated by the annual indexation review.
5. 2nd Bundle PPP Schools	1,977	This decrease arises primarily as a result of the annual review of unitary charge projections for the bundle which in turn is generated by the annual indexation review.
6. 3rd Bundle PPP Schools	1,597	This decrease arises primarily as a result of the annual review of unitary charge projections for the bundle which in turn is generated by the annual indexation review.
7. 4th Bundle PPP Schools	(6,715)	In initial projections for this bundle (which generated the 2015 projected costs), it was not possible to predict the element of the unitary charge that was indexed. Commencement of services has led to greater certainty around the element of unitary charge to which indexation is applied.

**Note on PPPs*****National Maritime College***

The National Maritime College of Ireland (NMCI) PPP project was completed in October 2004. NMCI was the first third level PPP to be completed and operating in Ireland. The college provides state of the art education and training facilities to service the needs of the Cork Institute of Technology and the non-military needs of the Irish Naval Service.

***Five Pilot Schools PPP***

The five post-primary schools in the Pilots School PPP bundle are located in Dunmanway and Ballincollig, Co. Cork; Tubbercurry, Co. Sligo; Clones, Co. Monaghan; and Shannon, Co. Clare. The contract for the Five Pilot Schools PPP was signed with Jarvis Projects Ltd. in November 2001. The operational phase of the schools commenced in January 2003.

**Cork School of Music**

A contract for the design, build, financing and operation of the Cork School of Music was signed with Hochtief in September 2005. The Cork School of Music was completed in July 2007.

**1<sup>st</sup> Bundle PPP Schools**

A contract for the design, build, financing and operation of the four post primary schools located in Portlaoise, Co. Laois (two schools); Banagher and Ferbane (both in Co. Offaly); was signed with Maquarie Partnerships for Ireland in March 2009. All four schools became operational in September 2010.

**2<sup>nd</sup> Bundle PPP Schools**

A contract for the design, build, financing and operation of five post-primary schools and one primary school in Wicklow, Co. Wicklow; Athboy, Co. Meath; Kildare, Co. Kildare; Abbeyfeale, Co. Limerick; and Bantry, Co. Cork (two schools) ; was signed with Maquarie Partnerships for Ireland in June 2010. All six schools became operational in late 2011.

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

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

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

There are four post primary schools in the 4th Bundle PPP Project. They are located in Tulla, Co Clare; Skibbereen, Co Cork; Dundalk, Co Louth; and Carrick-on-Suir, Co Tipperary. The contract for the design, build, financing, operation and maintenance of four post primary schools was signed with BAM PPP in December 2014. These schools became operational between March and May 2016.

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

There are four post primary schools and one primary school in the 5<sup>th</sup> Bundle PPP Project. They are located in Carlow; Kells, Co. Meath; Bray Co. Wicklow (two schools); and Wexford. The contract for the design, build, financing, operation and maintenance of the schools was signed in July 2016. These schools are currently under construction and are expected to be completed and ready for handover between quarter four of 2017 and quarter one of 2018.

**2.10 Matured liabilities**

at 31 December	<b>2016</b>	<b>2015</b>
	<b>€000</b>	<b>€000</b>
Estimate of matured liabilities not discharged at year end	268	99

### 3 Programme Expenditure by Subhead

In compliance with Public Financial Procedures and with the sanction of the Department of Public Expenditure and Reform, the Department of Education and Skills used a financial process known as virement in 2016, as in other years. The virement process allowed for savings on one or more subheads to be used to meet excesses on other subheads in Vote 26. As a result of ongoing monitoring of expenditure trends within the Department, virement was used on certain subheads where, for example, schemes/projects progressed more rapidly than originally forecast or demand/costs were higher in 2016 than originally anticipated.

		2016		2015
		Estimate provision		Outturn
		€000	€000	€000
<b>A</b>	<b>First, Second and Early Years Education</b>			
A.1	Administration – pay	57,725	55,194	55,210
A.2	Administration – non pay	10,735	9,850	10,462
A.3	Salaries, wages and allowances (including incidental payments) of primary school teachers			
	<i>Original</i>	2,162,512		
	<i>Supplementary</i>	(24,000)		
		<u>2,138,512</u>	2,132,039	2,150,935
A.4	Salaries, wages and allowances (including incidental payments) of secondary, comprehensive and community school teachers	1,131,836	1,111,028	1,098,989
A.5	Grants to Education and Training Boards in respect of teachers' salaries	597,857	596,327	571,039
A.6	Salaries, wages and allowances (including incidental payments) of special needs assistants in primary and post primary schools	428,612	428,290	413,093
A.7	Salaries, wages and allowances (including incidental payments) of non-teaching staff in primary and post primary schools (excluding special needs assistants)	104,506	99,879	102,546
A.8	Superannuation etc. in respect of teaching and non-teaching staff			
	<i>Original</i>	1,037,495		
	<i>Supplementary</i>	37,000		
		<u>1,074,495</u>	1,069,993	1,083,573
A.9	School transport services	175,000	182,188	172,955
A.10	Grants (including capitation) payable to primary and post primary schools, Education and Training Boards and other educational organisations and institutions			
	<i>Original</i>	430,168		
	<i>Supplementary</i>	(6,000)		
		<u>424,168</u>	432,468	417,719
A.11	Grants to education bodies working in the primary and post primary sectors	72,524	73,101	80,916
A.12	Teacher education	27,900	22,606	22,803
A.13	Payments in respect of residential institutions redress and costs associated with the Child Abuse Commission	4,050	4,403	13,806
A.14	Miscellaneous grants and services	42,166	41,441	26,619
		<b>6,290,086</b>	<b>6,258,807</b>	<b>6,220,665</b>

**Significant variations**

Overall, the expenditure in relation to Programme A was €31.3 million less than finally provided. An explanation is provided below in the case of each heading where the outturn varied from the amount originally estimated by more than €100,000 and by more than 5%.

An explanation is also provided in relation to Subheads A.3 and A.10 which were the subject of decreased supplementary estimates and A.8 which received an increased supplementary estimate.

Description	Less/ (more) than originally provided €000	Explanation
Salaries, wages and allowances (including incidental payments) of primary school teachers	30,473	<p>The original estimate of €2,162,512,000 was reduced by a supplementary estimate of €24 million to €2,138,512,000.</p> <p>The decrease on this subhead arose as a result of lower than anticipated salary and allowance and substitution costs including estimated impact of retirements, appointment dates, increments, unpaid leave etc. which are difficult to accurately forecast due to complexity of payroll. Other impacts include once off arrears payable to substitute teachers being lower than anticipated and timing issues relating to the processing of employers PRSI changes which arose as a result of a change in PRSI Class (from D to A) for a number of individuals which will now be processed in 2017.</p> <p>The final outturn of €2,132,039,000 is 0.3% lower than the final allocation.</p>
Superannuation etc. in respect of teaching and non-teaching staff	(32,498)	<p>The original estimate of €1,037,495,000 was increased by a supplementary estimate of €37 million to €1,074,495,000.</p> <p>The increase was required to fund the costs of lump sums and retirement gratuities for about 500 more retirements than originally allocated across the first and second level sectors.</p> <p>The final outturn of €1,069,993,000 is 0.4% less than the final allocation.</p>
Grants (including capitation) payable to primary and post primary schools, Education and Training Boards and other educational organisations and institutions	(2,300)	<p>The original estimate of €430,168,000 was reduced by a supplementary estimate of €6 million to €424,168,000.</p> <p>The decrease on this subhead arose primarily as a result of payments due to the phased implementation of an arbitrator's recommendation for pay increases for grant funded school secretaries and caretakers. The 2017 to 2019 phases of the Arbitrator's recommendation were not payable in 2016. Other savings also arose in relation to a lower than anticipated drawdown by the Education Research Centre due to deferrals of certain projects and recruitment of staff for new projects.</p> <p>The final outturn includes €9 million additional grants made to Education and Training Boards in December 2016 for non-pay expenditure – leading to an overspend of €2.3 million compared with the original Estimate.</p> <p>The final outturn of €432,468,000 is 2% more than the final allocation.</p>

Description	Less/ (more) than originally provided €000	Explanation
Teacher Education	5,294	The savings of €5.3 million arose due to a lower than expected cost for continuous professional development in respect of Junior Cycle Reform and other projects including the TL21 (Teaching and Learning for the 21 <sup>st</sup> Century) programme, Active School Awards and Arts Charter project; reduced uptake on some support schemes and reduction in costs due to courses not filled to capacity; Centre for School Leadership - Post Grad course not now starting until September 2017; changes to calendar year from academic year for Teacher Induction budget and a requirement for Education Centres to decrease accumulated funds which has resulted in a reduced charge on the subhead.
Payments in respect of residential institutions redress and costs associated with the Child Abuse Commission	(353)	The excess arose as the Redress Board did not cease operations in 2016 as originally anticipated.

		2016		2015
		Estimate provision	Outturn	Outturn
		€000	€000	€000
<b>B</b>	<b>Skills Development</b>			
B.1	Administration – pay	3,234	3,141	3,568
B.2	Administration – non pay	682	684	773
B.3	Grants to SOLAS in respect of administration and general expenses	23,588	23,588	23,588
B.4	European Social Fund (ESF) and European Globalisation Fund (EGF) supports	650	84	480
B.5	Grants to SOLAS in respect of further education and training activities	272,655	272,147	265,999
B.6	Grant to Quality and Qualifications Ireland (QQI)	5,400	3,414	3,600
B.7	Superannuation etc. payable to former members of FÁS, SOLAS and An Comhairle Oiliúna (ANCO)	32,600	32,500	31,626
B.8	Miscellaneous grants and services	25	30	2
B.9	Regional Skills FORA Services	1,000	624	–
		<b>339,834</b>	<b>336,212</b>	<b>329,636</b>

#### Significant variations

Overall, the expenditure in relation to Programme B was €3.6 million less than finally provided. An explanation is provided below in the case of each heading where the outturn varied from the amount originally estimated by more than €100,000 and by more than 5%.

Description	Less/ (more) than originally provided €000	Explanation
European Social Fund (ESF) and European Globalisation Fund (EGF) supports	566	The savings of €0.6 million arose due to a delay in central contracting of an IT system required for EU funds and lower than expected take up of supports in respect of a number of EGF programmes.
Grant to Quality and Qualifications Ireland (QQI)	1,986	The savings of €2 million primarily arose as a result of reduced need for Exchequer funding due to increases in funding from other sources, deferral of retirements and a number of staff vacancies.
Regional Skills Fora Services	376	The saving of €0.38 million arose due to the delay in Regional Skills Manager appointments.

		2016		2015	
		Estimate provision		Outturn	
		€000	€000	€000	
<b>C</b>	<b>Higher Education</b>				
C.1	Administration – pay		4,362	4,207	3,898
C.2	Administration – non pay		918	900	845
C.3	Grant-in-aid for general expenses of Higher Education Authority		5,729	5,729	5,394
C.4	General current grants to universities, institutes of technology and other designated institutions of higher education		928,389	938,833	922,849
C.5	Training colleges for primary teachers – excluding those funded through the Higher Education Authority		8,444	7,465	7,984
C.6	Dublin Dental Hospital (grant)		10,471	10,471	10,471
C.7	Dublin Institute for Advanced Studies (grant)		6,256	6,256	6,136
C.8	Royal Irish Academy of Music (grant)		2,955	2,955	2,955
C.9	Grants to certain third level institutions		8,644	7,691	8,971
C.10	Superannuation etc payable to former staff of universities and institutes of technology				
		<i>Original</i>	85,094		
		<i>Supplementary</i>	11,000	96,094	95,779
C.11	Student support and related expenses		407,656	410,660	414,000
C.12	Research activities		37,600	37,600	37,600
C.13	EU, international and north south activities		5,289	4,212	4,510
C.14	Grangegorman Development Agency		3,030	3,030	2,881
C.15	Miscellaneous grants and services		100	72	169
			<b>1,525,937</b>	<b>1,535,860</b>	<b>1,521,826</b>

#### Significant variations

Overall, the expenditure in relation to Programme C was €9.9 million more than finally provided. An explanation is provided below in the case of each heading where the outturn varied from the amount originally estimated by more than €100,000 and by more than 5%.

An explanation is also provided in relation to Subhead C.10 which received an increased supplementary estimate.

Description	Less/ (more) than originally provided €000	Explanation
Training colleges for primary teachers – excluding those funded through the Higher Education Authority	979	Savings of €0.98 million primarily arose due to a change in the funding arising from the incorporation of a training college into Dublin City University and from reduced costs arising from delays in strategy implementation.
Grants to certain third level institutions	953	The saving arises from a change in the funding subhead used for St. Patricks College, Thurles.

Description	Less/ (more) than originally provided €000	Explanation
Superannuation etc payable to former staff of universities and institutes of technology	(10,685)	<p>The original estimate of €85,094,000 was increased by a supplementary estimate of €11 million to €96,094,000.</p> <p>The increase was required to provide for 59 additional retirement lump sum payments in the Institutes of Technology, a net increase of 161 people on the pension payroll and the 2016 full-year costs of retirements from 2015.</p> <p>The final outturn of €95,779,000 is 0.3% less than the final allocation.</p>
EU, international and North South activities	1,077	<p>Savings of just over €1 million arose principally due to the lower drawdown of matched funding for the George Mitchell Scholarship Fund, lower than anticipated funding requirements for a number of North-South projects and a less than expected national membership contribution for UNESCO.</p>

			2016		2015
			Estimate provision		Outturn
			€000	€000	€000
<b>D Capital Services</b>					
D.1 Administration – pay			9,379	9,086	9,113
D.2 Administration – non pay			1,976	1,945	1,975
D.3 Building equipment and furnishings of primary and post primary schools					
	<i>Original</i>	446,000			
	<i>Supplementary</i>	100,000	546,000	554,976	524,503
D.4 Building grants and capital costs of universities, institutes of technology and other designated institutions of higher education			21,500	31,500	52,639
D.5 Public private partnership costs			93,250	85,068	66,355
			<b>672,105</b>	<b>682,575</b>	<b>654,585</b>

### Significant variations

Overall, the expenditure in relation to Programme D was €10.5 million more than finally provided. An explanation is provided below in the case of each heading where the outturn varied from the amount originally estimated by more than €100,000 and by more than 5%. An explanation is provided in relation to Subhead D.3 which received an increased supplementary estimate.

Description	Less/ (more) than originally provided €000	Explanation
Building equipment and furnishings of primary and post primary schools	(108,976)	<p>The original estimate of €446,000,000 was increased by a supplementary estimate of €100 million to €546,000,000.</p> <p>In mid-April 2016, the Minister for Public Expenditure and Reform agreed to the provision of extra funding to facilitate large scale projects advancing to tender and construction.</p> <p>The final outturn of €555 million is 1.6% higher than the final allocation.</p>
Building grants and capital costs of universities, institutes of technology and other designated institutions of higher education	(10,000)	The €10 million excess arose as a result of a reallocation of unspent capital funding to the Higher Education capital subhead in order to meet significant additional demands presenting in respect of Higher Education capital projects.
Public private partnership costs	8,182	The saving of just over €8 million arose from deductions to the unitary charge during the year which are applied in respect of agreed service and availability failures; lower indexation increases in unitary charges relating to current inflation rates; lower than expected costs associated with operational projects and savings on certain construction costs.

## 4 Receipts

### 4.1 Appropriations-in-aid

		2016			2015
		Estimated	Realised	Realised	
		€000	€000	€000	€000
<b>E</b>					
E.1	Superannuation contributions				
	<i>Original</i>	185,496			
	<i>Supplementary</i>	<u>(15,700)</u>	169,796	166,357	170,789
E.2	Receipts in respect of the European Social Fund (ESF), European Globalisation Fund (EGF) and other miscellaneous EU receipts				
	<i>Original</i>	33,925			
	<i>Supplementary</i>	<u>4,700</u>	38,625	40,388	27,379
E.3	Receipts from pension-related deductions on public service remuneration				
	<i>Original</i>	277,036			
	<i>Supplementary</i>	<u>(7,000)</u>	270,036	269,599	341,735
E.4	Secondments/ overpayments		3,561	4,426	4,198
E.5	Miscellaneous		5,291	6,678	4,715
			<b>487,309</b>	<b>487,448</b>	<b>548,816</b>

### Significant variations

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

An explanation is also provided in relation to subheads E.1 and E.3 which received reduced supplementary estimates and E.2 which received an increased supplementary estimate.

Description	Less/ (more) than originally provided €000	Explanation
Superannuation contributions	19,139	<p>The original estimate of €185,496,000 for the collection of receipts was reduced by €15.7 million in a supplementary estimate to €169,796,000.</p> <p>A supplementary estimate of €13.5 million was required as schools staff superannuation contributions did not reach the level originally anticipated. These superannuation receipts are difficult to predict due to the impact of retirements and the increase in teachers recruited in recent years, where the unknown is the exact-scale point for new starters by comparison to higher scale-points of those retiring.</p> <p>A further €2.2 million reduction in estimated receipts was required as the original estimate of one-off purchases of added years, which is also difficult to predict, did not materialise.</p> <p>There was a shortfall of 2% between the final allocation and the receipts realised.</p>

Description	Less/ (more) than originally provided €000	Explanation
Receipts in respect of the European Social Fund (ESF), European Globalisation Fund (EGF) and other miscellaneous EU receipts	(6,463)	<p>The original estimate of €33,925,000 was increased by €4.7 million to €38,625,000.</p> <p>The Supplementary Estimate reflects additional ESF receipts allocated to the Department's ESF eligible activities – the receipts were originally budgeted to fund National Training Fund and other ESF eligible activities. The reallocation followed decisions by the European Commission and the ESF Monitoring Committee, based on the level of implementation by the various ESF co funded activities, in order to fully utilise the overall ESF allocation.</p> <p>Total receipts of €40,388,000 were 4.6% higher than the final estimate.</p>
Receipts from pension-related deductions on public service remuneration	7,437	<p>The original estimate of €277,036,000 was decreased by €7 million to €270,036,000.</p> <p>The reduction in pension-related deduction (PRD) receipts arose primarily due to the impact of expanded PRD thresholds and reduced rates, effective from 1 January 2016, which was difficult to accurately forecast.</p> <p>Total receipts of €269,599,000 were slightly less than the final estimate.</p>
Secondments/ overpayments	(865)	<p>It is difficult to predict the level of receipts with complete accuracy as recoupment of overpayments may be made on a once-off basis or on a phased basis and may cross over a financial year. Recoupment of salary in respect of secondments may also cross the financial year.</p>
Miscellaneous	(1,387)	<p>This subhead caters for receipts of an ad hoc nature and is therefore difficult to estimate the level of expected receipts.</p> <p>The surplus in 2016 principally materialised due to construction-related bond settlements which arose on three post-primary school building projects – where the contractors ceased trading, did not complete the contract and the bonds were activated.</p>

**4.2 Extra receipts payable to the Exchequer**

	<b>2016</b>	<b>2015</b>
	<b>€000</b>	<b>€000</b>
Balance at 1 January	—	50
Recoupment of unspent funding disbursed in prior years to the HEA <sup>a</sup>	1,347	2,673
Receipts from sale of assets by SOLAS	20	1
Receipts from legal settlements	—	2
Receipts from conscience money	34	8
Transferred to Exchequer	(1,401)	(2,734)
Balance at 31 December	<u>—</u>	<u>—</u>

<sup>a</sup> During 2016, €1,346,647 of the Exchequer extra receipts that were surrendered to the Exchequer arose from the recoupment of funds from the HEA in respect of grants made by the Irish Research Council in prior years which remained unspent.

## 5 Employee Numbers and Pay

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

	<b>2016</b>	<b>2015</b>
<b>Number of staff at year end</b> (full time equivalents)	101,728	98,354

The numbers reported include only core funded posts at third level, as only these posts are included in the overall count of public sector numbers.

### 5.(a) Staffing numbers and associated pay costs disbursed from Vote 26

Category of staff remunerated	Subhead from which funds disbursed	ECF numbers as at 31 December 2016	Pay out-turn as at 31 December 2016	
			€000	
<b>First level</b>	A.3	Primary teachers	35,800	2,132,039
	A.6.1	Special Needs Assistants	10,249	346,791
	A.7.1	Non-teaching staff	272	10,605
<b>Second level</b>	A.4	Secondary teachers	18,284	1,111,028
	A.5	ETB teachers	11,850	596,327
	A.6 (2-3)	Special Needs Assistants	2,561	81,499
	A.7(2-4)	Non-teaching staff	2,136	89,274
<b>First and second level subtotal</b>			<b>81,152</b>	<b>4,367,563</b>
<b>Third level</b>	C.3	HEA	59	3,516
	C.4	University/IOT/RIA /colleges of education	17,452	662,127
	C.5	Other teacher training colleges	28	2,126
	C.6	Dublin Dental Hospital	122	9,283
	C.7	Dublin Institute for Advanced Studies (DIAS)	51	3,706
	C.11	Student grant administration	81	3,862
	C.14	Grangegorman Development Agency	11	1,665
	<b>Third level sub-total</b>			<b>17,804</b>

Category of staff remunerated	Subhead from which funds disbursed		ECF numbers as at 31 December 2016	Pay out-turn as at 31 December 2016
				€000
<b>Department staff</b>	(i)	Administration	1,019	56,649
	(viii)	National Educational Psychological Services	184	14,979
<b>Department sub-total</b>			<b>1,203</b>	<b>71,628</b>
<b>Other</b>	A.11.1	National Council for Curriculum and Assessment (NCCA)	34	2,591
	A.11.4	State Exams Commission (SEC)	149	10,148
	A.11.5	National Council for Special Education	98	6,326
	A.11.7	Educational Research Centre	30	677
	A.13.1	Redress Board	6	389
	A.13.2	Commission on Child Abuse	2	313
	A.14	PDST Technology in Education (NCTE)	11	722
	B.3.1	SOLAS administration	189	10,530
	B.6	Quality and Qualifications Ireland (QQI)	70	1,501
	B.5	Further education – SOLAS (Education and Training Boards)	840	101,507
C.8	Royal Irish Academy of Music (RIAM)	58	2,828	
<b>Other sub total</b>			<b>1,487</b>	<b>137,532</b>
<b>Total</b>			<b>101,646</b>	<b>5,263,008</b>

The table above outlines remuneration details for teaching, non-teaching and bodies funded from Vote 26 during 2016 along with their associated whole time equivalent (WTE) numbers as at 31 December 2016 with reference to the figures disclosed in the Revised Estimate.

A further 82 WTE staff are paid from subheads with no separate pay designation in respect of the subheads B.6 (QQI), C.8 (RIAM), C.3 (HEA) and C.7 (DIAS).

**5.(b) Department staff<sup>a</sup>**

	<b>2016</b>	<b>2015</b>
	<b>€000</b>	<b>€000</b>
Pay <sup>b</sup>	66,833	67,191
Higher, special or additional duties allowance	248	244
Other allowances <sup>c</sup>	51	75
Overtime	319	604
Employers' PRSI <sup>d</sup>	4,177	3,675
<b>Total pay</b>	<b>71,628</b>	<b>71,789</b>

<sup>a</sup> The financial details in this table relate solely to salaries and allowances paid to administrative staff in the Department and staff in the National Educational Psychological Service.

<sup>b</sup> 2015 pay has been restated to €67,191,000 to include salaries of National Educational Psychological Service staff.

<sup>c</sup> 2015 other allowances have been restated to €75,000 as some allowances were incorrectly classified as pay in 2015, and to include salaries of the National Educational Psychological Service staff.

<sup>d</sup> 2015 Employers' PRSI has been restated as it included PRSI for staff on the payroll which is recoupable - including SEC, NCCA, and staff on secondment.

**5.1 Allowances and overtime payments**

	<b>Number of recipients</b>	<b>Recipients of €10,000 or more</b>	<b>Maximum individual payment 2016 €</b>	<b>Maximum individual payment 2015 €</b>
Higher, special or additional duties	101	4	15,471	20,339
Other allowances	22	–	5,191	25,209
Overtime	169	3	18,728	21,386
Extra remuneration in more than one category	7	–	4,439	5,129

The details of allowances and overtime payments in this table relate solely to administrative and National Educational Psychological Service staff.

**5.2 Performance and merit pay**

Nine staff in receipt of special service payments under the AHCPs 1% PCW restructuring agreement received in total €24,777 in 2016.

**5.3 Re-engaged civil servants**

During 2016, 29 retired civil servants in receipt of civil service pensions were re-engaged at a total cost of €129,256 which included travel and subsistence costs of €21,500. In line with advice from the Department of Public Expenditure and Reform (DPER), the Department applied rates as sanctioned by DPER and is satisfied that fees are abated appropriately.

#### 5.4 Severance/Redundancy

During 2016, five staff were paid severance and redundancy payments totalling €169,202 from the Department's staff payroll. The highest value sum paid in combined severance and redundancy in 2016 was €64,099.

During 2016, 331 non-teaching staff were paid redundancy sums totalling €2,115,850 – which included payment for both statutory and non-statutory redundancy sums. 73 payments of redundancy exceeded €10,000. The highest value sum paid in 2016 was €74,678. Staff receiving redundancy were paid via the Department's teacher payrolls, in the Department's capacity as paymaster for certain schools.

#### 5.5 Overpayments

##### (a) Administrative staff salary overpayments

Overpayments at the year end were €324,496 (132 cases) (2015: €394,000 (262 cases)).

Of this, 57 have recovery plans in place, 51 have overpayment values identified but repayment plans were not in place due to timing issues at the year end. In the remaining 24 cases, an overpayment value was not known at the year end.

##### (b) Supplementary pension overpayments

Supplementary Pension Overpayments at the year end were €1.6 million. Of the original 320 cases, 308 cases have either paid in full or are set up in a repayment arrangement.

In 2012, the Department's Pension Unit carried out a review of pensioners aged over 65 who were in receipt of supplementary pension.

Following the review, it was found that 320 pensioners were no longer entitled to this supplementary pension as they were also in receipt of a state pension from the Department of Social Protection.

Pension overpayments for these 320 pensioners on subhead A.8 totalled €2.8 million gross.

Recovery of the overpayments commenced in July 2015 – following detailed engagement, over 18 months between the Department and the Revenue Commissioners, regarding the tax implications for pensioners of any repayment regime in respect of repayments made which fell outside the Revenue Commissioners four-year time limit, and subsequent engagement with the Department of Public Expenditure and Reform whereby sanction was obtained to recover the amount net of statutory deductions for repayments which fall outside the Revenue four-year limit.

The overall amount for recovery was, therefore, reduced to €2.3 million in 2016 following procedures to net off statutory deductions.

Cumulative repayments to the end of 2016 are of the order of €0.7 million. Recoupment of the outstanding amount of €1.6 million at 31 December 2016 is ongoing.

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

Overpayments in respect of teachers, non-teaching staff and retired personnel (excluding the supplementary pension overpayments referenced above) in primary, voluntary secondary, community and comprehensive schools were €4.1 million at 31 December 2016 compared to overpayments of €3.8 million at 31 December 2015.

There are recovery plans in place for all overpayments existing at the end of 2016.

The Department acts as paymaster on behalf of the managerial authorities of over 3,700 schools, and is therefore reliant on school authorities submitting the data required for the appointment/payment and cessation of staff payments on a timely basis.

Overpayments may also occur if insufficient time is allocated for the implementation of new Budget decisions and new industrial relations agreements.

## 6 Miscellaneous

### 6.1 EU funding

Receipts in relation to EU funding received during 2016 and lodged to appropriations-in-aid is detailed in the table below:

<b>EU funding category</b>	<b>2016</b>	<b>2015</b>
	<b>€000</b>	<b>€000</b>
E.2.1 ESF pay	26,652	18,947
E.2.1 ESF non pay	11,422	8,120
E.2.2 EGF programmes	1,970	–
E.2.3 EC education projects	344	312
	<b>40,388</b>	<b>27,379</b>

#### **2016 ESF receipts (pay and non-pay)**

ESF receipts in subhead E.2.1 of €38,073,690 (€26,651,583 pay and €11,422,107 non-pay) received in 2016 and shown as appropriations-in-aid was included in the recorded expenditure from the following subheads of the Office of the Minister for Education and Skills: B.3, B.4, B.5, C.4 and C.11.

#### **2016 European Globalisation Adjustment Fund (EGF) receipts**

EU co-funding of €725,000 in relation to provision of services under the Anderson Ireland EGF programme and €1.245 million in respect of the Lufthansa Technik Airmotive Ireland EGF programme was disbursed to Education and Skills' appropriations-in-aid for 2016. The costs incurred by the Department mainly comprised grants provided in the normal course of business to bodies that provided services under the programmes – including SOLAS, education and training boards, the HEA, 3rd level institutions and local enterprise offices.

#### **EC education projects**

Receipts in 2016 under the EC education projects included compensatory payments for administrative expenses in relation to attendance at the Centre for European Schooling, Dunshaughlin, Co. Meath, activities under Ireland's participation in the European Commission's Eurydice information network, and the Eurostudent VI project 2016-2018.

### **6.2. 2016 Direct EU funding to bodies under the Department's aegis**

In addition to the grants from the Vote, direct EU aid to bodies under the aegis of the Department during 2016 was as shown below:

<b>Aegis body</b>	<b>2016</b>	<b>2015</b>
	<b>Funding</b>	<b>Funding</b>
	<b>€000</b>	<b>€000</b>
National Council for Guidance in Education	71	142
Quality and Qualifications Ireland	988	721
Léargas	13,248	8,279
	<b>14,307</b>	<b>9,142</b>

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

The National Council for Guidance in Education received EU funding in respect of its Euroguidance, European Guidance Policy Network, European Schools and PLOTEUS project activities in 2016. In total, this funding amounted to €70,588 in 2016.

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

QQI received EU funding in respect of its EQAVET, EQF (European Qualifications Framework), EUROPASS and IQAVET (Irish National Reference Point for European Quality Assurance in Vocational Education and Training) activities in 2016. In total, this funding amounted to €988,241 in 2016.

### **Léargas**

Léargas received EU funding in respect of the Erasmus +, Eurodesk, ECVET, Etwinning Epale and Euroguidance. EU funding in relation to Léargas was not previously included in this note.

## **6.3. European Globalisation Adjustment Fund**

### **Irish EGF Programmes**

The Department of Education and Skills (the Department) acts as the Managing Authority for the European Globalisation Adjustment Fund (EGF) in Ireland. Based on an agreed budget, EU co-funding is submitted to the Department in advance of the programme and is lodged to a holding account pending disbursement to organisations based on actual expenditure incurred during the lifetime of the programme. Where expenditure is less than budgeted, unused co-funding is repayable to the EU after the conclusion of the programme.

Ireland has submitted ten successful applications for EGF co-funding totalling €68 million. Eight programmes had concluded by the end of 2016 and the 9th programme in respect of Lufthansa Technik Airmotive Ireland concluded in March 2017. The 10th programme in respect of PWA International – with co-funding of €442,000 – will conclude in December 2017.

Total expenditure on Ireland's nine completed EGF programmes was €64.48 million, representing 61% of their programme allocations – exceeding the average EU co-financing utilisation rate of 55%.

EU co-funding of €41.1 million has been disbursed to organisations that provided/funded services under the nine completed programmes. The organisations include the Department itself, the National Training Fund and the Department of Social Protection.

Unused EGF co-funding totalling €25 million has been reimbursed to the EU in respect of seven of the closed programmes. Requests for repayment of the unused EU co-financing in respect of the Andersen Ireland and Lufthansa Technik programmes of €411,500 and €700,744, respectively, are expected in 2017.

The table below sets out the EGF programmes that were active during 2016, along with a summary of the seven programmes previously finalised and settled with the European Commission.

<b>Programme</b>	<b>Rate of EU co-funding</b>	<b>Programme allocation</b>	<b>Programme spend</b>	<b>Receipts from EU</b>	<b>Unused EU co-funding repaid to European Commission<sup>a</sup></b>
		<b>€000</b>	<b>€000</b>	<b>€000</b>	<b>€000</b>
Andersen Ireland	60%	2,502	1,816	1,501	412
Lufthansa Technik Airmotive Ireland	60%	4,151	2,983	2,491	701
PWA International	60%	737	—	442	—
Programmes previously finalised with the European Commission	50% – 65%	98,607	59,682	63,286	25,062
		<b>105,997</b>	<b>64,481</b>	<b>67,720</b>	<b>26,175</b>

<sup>a</sup> Includes €2,974 relating to a 65% co-funding of expenditure under the NACE 41 and 71 programmes that was refunded to the Department in late 2015 and which has since been refunded to the Commission.

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

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

#### 6.4 Commissions and enquiries

	Year of appointment	Cumulative Expenditure to 31 December 2016 €000	Expenditure in 2016 €000	Expenditure in 2015 €000
Commission to Inquire into Child Abuse	1999	80,667	730	1,290
Residential Institutions Redress Scheme <sup>a,b</sup>	2002	1,239,335	2,675	12,370
		<b>1,320,002</b>	<b>3,405</b>	<b>13,660</b>

<sup>a</sup> The overall expenditure of €1,239 million on the Residential Institutions Redress Scheme at the end of 2016 was funded by €1,197 million Exchequer contributions and contributions received from the religious congregations under the 2002 Indemnity Agreement of €42 million.

A further €10 million expenditure was incurred in respect of court settlements pursuant to the 2002 Indemnity Agreement, whereby religious congregations are not liable for any cases settled in court and outside of the redress scheme.

<sup>b</sup> The cumulative Residential Institutions Redress Scheme cost of €1,239 million at the end of 2016 includes expenditure by the Residential Institutions Review Committee of €9.5 million.

#### Residential Institutions Redress Special Account under Terms of Indemnity Agreement

Section 23 of the Residential Institutions Redress Act 2002 provided for the establishment of a special account to be funded from "moneys provided by the Oireachtas" and by "a person, with the consent of the Minister (for Education and Science) and the Minister for Finance". In addition to moneys provided by the Oireachtas, funding for the special account comes from moneys contributed under the terms of the indemnity agreement between the State and the contributing congregations. The first schedule of the agreement contains a list of the contributing congregations. Moneys from the special account are used to pay awards made by the Residential Institutions Redress Board and associated legal and settlement costs. The special account is subject to audit by the Comptroller and Auditor General.

#### Residential Institutions Statutory Fund Investment Account established by the National Treasury Management Agency

In April 2010, the Government announced its intention to utilise €110 million of the offers of contributions from religious congregations to establish and operate a statutory fund to support the needs of survivors of residential institutional child abuse. Pending the establishment of the statutory fund, a special interest bearing account, under the dual control of the Department of Public Expenditure and Reform and the Department of Education and Skills was opened in the Central Bank to receive the cash contributions from congregations.

Following the commencement of the Residential Institutions Statutory Fund Act 2012 and the establishment of the Residential Institutions Statutory Fund (RISF) investment account by the National Treasury Management Agency (NTMA), a total of €41.3 million was transferred to the NTMA account in 2013, in accordance with section 29(1) of the 2012 Act. The designated Central Bank account was subsequently closed in 2013.

Between 2013 and 2016 inclusive, €54.8 million was received from congregations and lodged to the RISF investment account. At 31 December 2016, total lodgements into the NTMA account amounted to €96.1 million.

The 2012 Act provides that the NTMA may advance to the RISF (which uses the name Caranua) sums requested for the purpose of defraying expenditure incurred by it in the performance of its functions. The 2012 Act also provides that the NTMA shall advance to the Minister for Education and Skills sums requested by the Minister to enable payments to be made to the independent Appeals Officer appointed under Section 21 of the 2012 Act. The financial statements of the RISF are subject to audit by the Comptroller and Auditor General.

#### 6.5 Legal awards

	Number of cases	Compensation awarded €000	Legal costs awarded €000	Legal costs paid by Department €000	2016 Total €000	2015 Total €000
Claims by employees of the Department	—	—	—	—	—	—
Claims by members of the public						
Damage to property claims	—	—	—	—	—	50
Injury claims	27	858	752	—	1,610	341
	<b>27</b>	<b>858</b>	<b>752</b>	<b>—</b>	<b>1,610</b>	<b>391</b>

The table above identifies legal costs and fees paid directly by the Department and does not reflect legal costs of other bodies supported by voted subheads.

In the course of the day-to-day running of the Department, the total legal costs incurred by the Department in 2016 was €2.02 million (2015: €2.6 million) which includes the legal costs and compensation awards listed above.

**6.6 Contingent liability****Child abuse inquiry and redress**

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

Expenditure for the Commission to Inquire into Child Abuse from inception to the end of 2016, was €80.67 million. It is estimated that additional costs of €1 million could arise in meeting the Commission's remaining costs.

Expenditure associated with institutional redress to the end of 2016 was €1,249 million. It is estimated that additional costs of about €500,000 may arise and includes a provision for any potential awards pending the dissolution of the Residential Institutions Redress Board .

**6.7 Write-offs**

The following sums were written off in the year:

	<b>2016</b>	<b>2015</b>
	<b>€000</b>	<b>€000</b>
Payable orders cashed in irregular circumstances	—	8
Overpayments of tuition grants	47	12
Legacy advance payments to model schools & teacher centre	24	—
	<b>71</b>	<b>20</b>

**6.8 Fraud, suspected fraud and irregularities**

	<b>2016</b>	<b>2015</b>
	<b>€000</b>	<b>€000</b>
Fraud	9	—
Irregular use of school funds	82	40
Suspected fraud	158	4
	<b>249</b>	<b>44</b>

In 2016, the Department was made aware of 13 new cases of suspected fraud/irregularities, six of which are referenced in the table above.

There was not sufficient information available to categorise the remaining seven cases as investigations are ongoing in order to establish whether the cases involve fraud/irregularity or relate to human error.

The Department will continue to make every reasonable effort to recover Exchequer funds where fraud or irregularities have occurred.

**6.9 Late payment interest**

	<b>2016</b>	<b>2015</b>
Total interest payable	€3,000	€4,400
Number of recipients of €10,000 or more	—	—

The Department's prompt payment interest and compensation paid in 2016 arose in respect of payments to 33 suppliers.

**6.10 Expenditure on temporary school accommodation**

During 2016, expenditure under subhead D.3.3 included amounts totalling €25.2 million in respect of temporary premises (2015: €18 million).

**6.11 Educational trusts**

Educational trusts totalling €2.262 million were invested on behalf of the Department in a common investment fund under the stewardship of the Charities Regulator at the close of 2016. The Minister for Education and Skills remains the trustee of these educational trusts.

**6.12 Budget carryover**

Vote 26 did not avail of a carryover from 2016 to 2017.