

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 2010 for the salaries and expenses of the Office of the Minister for Education and Skills, for certain services administered by the Office of the Minister, and for the payment of certain grants and grants-in-aid.

The expenditure outturn is compared with the sums granted by Dáil Éireann under the Appropriation Act 2010, including the amount that could be used as appropriations-in-aid of expenditure for the year and for deferred surrender of unspent appropriations for capital supply services under Section 91 of the Finance Act 2004.

Arising from the Transfer of Functions between Government Departments, that took effect under Statutory Instrument Number 187 of 2010, and became operational from 1 May 2010, responsibility for skills and training policy for FÁS as a State Body was transferred from Vote 34, Enterprise, Trade and Employment, to the re-named Department of Education and Skills. While responsibility for FÁS Employment Services and Employment Programmes was to transfer to the renamed Department of Social Protection, the Department of Education and Skills held responsibility for these employment functions on an interim basis during 2010 and into 2011, pending further legislation to effect their transfer to the Department of Social Protection. Additionally responsibility for the Programme for Research in Third Level Institutions (PRTLII) was transferred from this Department to the renamed Department of Enterprise, Trade and Innovation from 1 May 2010.

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

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 €12.697 million. (S14/03/06)

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.

In that regard and with specific reference to the SIFC, the following is the position with regard to staff training and induction, specific financial training, risk management and information and communication technology security.

A wide range of training programmes were made available to both new and existing staff in 2010. General training in public financial management as well as corporate governance was promoted and delivered. Training resources were also focused on tax training, specifically in relation to Value Added Tax and Professional Services Withholding Tax. Additionally training in the understanding and use of the Department's Financial Management System (FMS) to staff in all three of the Department's main locations was further advanced encompassing the rollout of additional FMS functionality and various reporting tools. New and updated financial reports were also developed to assist staff and management across the Department.

The Department operates a Risk Management System which has been incorporated into the business planning process for all sections of the Department.

The Department seeks to operate to best practice in respect of Information and Communication Technology and continues to review, enhance and upgrade the ICT infrastructure.

The Internal Audit and, following its transfer from the Department of Enterprise, Trade and Innovation on 1st May 2010, the European Social Fund Audit Authority undertake their work in accordance with an annual work programme which is overseen by the Department's Audit Committee. The ESF Audit Authority ensures that Ireland complies with the regulatory requirements of the European Union in relation to the management, control and audit of such functions in Ireland.

The audit programmes aim to ensure that the effectiveness of internal controls is subject to constant review. The Committee, which has a membership of five (including three external members, one of whom is Chairperson), provides advice in relation to internal control, the risk management environment and audit matters. During 2010 a total of twenty three audit reports were presented to the Committee, including one which was a commitment under the National Audit Plan agreed with the European Commission in relation to programmes supported by the European Regional Development Fund. In addition, the Internal Audit and the European Social Fund Audit Authority reviewed the adequacy of the follow up action from previous audit reports.

BRIGID MC MANUS

Accounting Officer

Department of Education and Skills

29 March 2011

Certificate of the Comptroller and Auditor General

I have audited the Appropriation Account of Vote 26: Education and Skills for 2010 under Section 3 of the Comptroller and Auditor General (Amendment) Act, 1993. The Account has been prepared in accordance with the Statement of Accounting Policies and Principles. The duties of the Accounting Officer and of the Comptroller and Auditor General in relation to the Appropriation Accounts, and the basis of the audit opinion, are set out in Part 1 to this volume.

I have obtained all the information and explanations I considered necessary for the purposes of my audit. In my opinion, proper books of account have been kept by the Department of Education and Skills. The Appropriation Account is in agreement with the books of account.

In my opinion, the Appropriation Account properly presents the receipts and expenditure of the Vote for the year ended 31 December 2010.

A handwritten signature in black ink, appearing to read 'John Buckley', with a stylized flourish at the end.

JOHN BUCKLEY
Comptroller and Auditor General
7 September 2011

Vote 26 Office of the Minister for Education and Skills Appropriation Account 2010

Service	2010 Estimate provision	2010 Outturn	2009 Outturn
	€000	€000	€000
Administration			
A.1. Salaries, wages and allowances	62,392	59,148	65,005
A.2. Travel and subsistence	1,902	1,490	1,895
A.3. Incidental expenses	1,358	1,182	1,182
A.4. Postal and telecommunications services	3,250	2,721	2,778
A.5. Office machinery and other office supplies and related services	7,108	3,949	4,654
A.6. Office premises expenses	2,100	1,726	1,572
A.7. Consultancy services	100	39	53
A.8. Regional office service	260	267	226
A.9. Value for Money and Policy Reviews	863	737	906
A.10. National Educational Psychological Service	22,414	16,656	18,853
Other Services			
B.1. Grant-in-aid fund for general expenses of Adult Education Organisations (part funded by National Lottery)	864	864	941
B.2. Transport services	186,000	181,409	177,567
B.3. International activities	1,212	1,082	1,078
B.4. UNESCO contribution and international education exchanges	2,174	2,418	2,063
B.5. Research and development activities	6,001	5,974	5,929
B.6. Teacher Education	29,793	23,573	20,234
B.7. Expenses of National Council for Curriculum and Assessment	3,837	3,837	4,637
B.8. Payments in respect of Local Drug Task Force Projects (grant-in-aid)	2,461	2,461	3,643
B.9. National Council for Special Education	9,215	8,216	9,250
B.10. Educational disadvantage (Dormant Accounts Funding)	5,000	2,060	8,594
B.11. Occupational health strategy for first and second level teachers	1,800	1,742	1,602
B.12. Residential Institutions Redress	53,249		
	<i>Original</i>		
	<i>Supplementary</i>		
	<u>(10,000)</u>	43,249	43,193
B.13. Royal Irish Academy of Music general expenses (grant-in-aid)	3,635	3,635	3,954
B.14. Grant-in-Aid fund for general expenses of cultural, scientific and educational organisations (part funded by National Lottery)	196	196	207
B.15. North/South Co-operation funding	3,600	2,717	1,373

Service		2010 Estimate provision	2010 Outturn	2009 Outturn
Other services (continued)	€000	€000	€000	€000
B.16. Fund for general expenses of organisations involved in the promotion of Ireland as an international education centre		229	229	686
B.17. Miscellaneous		5,893	4,591	9,039
B.18. Schools information and communication technologies activities				
	<i>Original</i>	56,578		
	<i>Supplementary</i>	20,000		
	<i>Deferred Surrender</i>	7,000	83,578	81,253
B.19. Commission on Child Abuse				35,172
	<i>Original</i>	15,944		
	<i>Supplementary</i>	(12,000)	3,944	2,261
B.20. School Completion Programme		31,000	30,008	31,000
B.21. National Education Welfare Board		9,575	8,695	9,630
B.22. National Qualifications Framework		10,652	8,938	10,679
First level education grants and services				
C.1. Salaries, etc., of teachers		1,994,399	2,006,602	2,105,660
C.2. Model schools - miscellaneous expenses		509	512	519
C.3. Capitation grants towards operating costs of national schools		196,836	193,281	184,385
C.4. Salaries etc. of non-teaching staff in national schools including special needs assistants, caretakers and clerical officers		288,590	291,383	303,631
C.5. Other grants and services		70,105	54,406	69,017
C.6. Superannuation, etc., of teachers		444,355	449,104	458,171
C.7. Special education initiatives		12,097	10,609	11,919
Second level and further education grants and services				
D.1. Salaries, etc., of teachers in secondary, comprehensive and community schools		1,177,768	1,179,101	1,282,934
D.2. Grants to secondary school authorities and other grants and services in respect of secondary schools		117,447	109,158	102,939
D.3. Salaries, etc., of non-teaching staff in secondary, comprehensive and community schools including special needs assistants and clerical officers		47,936	47,093	47,393

Service		2010 Estimate provision	2010 Outturn	2009 Outturn
Second level and further education grants and services (continued)	€000	€000	€000	€000
D.4. Superannuation of secondary, comprehensive and community school teachers		318,477	329,648	327,090
D.5. Comprehensive and community schools - running costs		47,447	48,680	48,131
D.6. Annual grants to Vocational Education Committees (excluding certain grants in respect of specialist colleges and student support)		905,674	912,705	952,798
D.7. Payments to Local Authorities in respect of superannuation charges		207,128	217,438	218,677
D.8. Miscellaneous		18,836	18,970	20,013
D.9. Special initiatives adult education		45,758	44,929	44,758
D.10. State Examinations Commission		54,510	54,286	56,943
Third level and further education grants and Services				
E.1. Student support				
	<i>Original</i>	324,449		
	<i>Supplementary</i>	<u>43,000</u>	367,449	361,992
E.2. University scholarships		1,626	1,549	1,316
E.3. An tÚdarás um Ard-Oideachas - grant-in- aid for general expenses		5,600	5,500	5,853
E.4. An tÚdarás um Ard-Oideachas - general current grants to universities and colleges, institutes of technology and other designated institutions of higher education (grant-in-aid)		1,194,183	1,194,183	1,318,083
E.5. Training colleges for primary teachers excluding those funded through the Higher Education Authority		11,516	11,508	12,132
E.6. Strategic Innovation Fund		18,000	18,890	27,068
E.7. Dublin Dental Hospital - dental education grant (grant-in-aid)		12,335	12,335	13,231
E.8. Dublin Institute for Advanced Studies (grant-in-aid)		7,213	7,213	7,905
E.9. Grant in respect of tuition fees to designated non-Higher Education Authority third-level Institutions		4,725	5,126	4,540
E.10. Miscellaneous		220	253	203
E.11. Grants to certain third level institutions		17,787	17,454	18,329
E.12. Alleviation of disadvantage		16,000	16,057	17,984
E.13. Research and development activities ¹		54,892	52,214	86,989
E.14. Grangegorman Development Agency		1,831	1,042	1,032
— Payments in relation to the winding up of St Catherine's College of Education ²		—	—	223

Capital services			2010	2010	2009
			Estimate	Outturn	Outturn
			provision		
			€000	€000	€000
F.1. Building, equipment and furnishing of national schools	<i>Original</i>	306,800			
	<i>Supplementary</i>	(62,000)			
	<i>Deferred Surrender</i>	<u>72,000</u>	316,800	312,264	328,946
F.2. Second-level schools - building grants and capital costs			200,000	213,468	197,026
F.3. An tÚdarás um Ard-Oideachas - building grants and capital costs for universities and colleges, institutes of technology, designated institutions of higher education, and research and development (grant-in-aid)	<i>Original</i>	126,890			
	<i>Supplementary</i>	<u>42,000</u>	168,890	168,882	199,687
F.4. Building grants and capital costs of other third level institutions			165	165	159
F.5. Public private partnership costs			50,059	43,150	40,780
Skills Development^{3 & 4}					
G.1. FÁS administration and general expenses			93,805	88,859	—
G.2. FÁS training and integration supports	<i>Original</i>	44,001			
	<i>Supplementary</i>	<u>(20,999)</u>	23,002	23,353	—
G.3. FÁS employment programmes			289,507	286,507	—
G.4. FÁS capital			4,471	4,471	—
G.5. FÁS- Pension payments arising from the Financial Measures (Miscellaneous Provisions) Act			17,984	22,930	—
G.6. European Globalisation Fund			1,240	733	—
G.7. Operational programme for human resources development- technical assistance			1,133	320	—
G.8. Leonardo Programme			140	140	—
Gross Expenditure	<i>Original</i>	9,295,099			
	<i>Supplementary</i>	1			
	<i>Deferred Surrender</i>	<u>79,000</u>	9,374,100	9,345,730	9,355,736
Deduct:					
H. Appropriations-in-aid			<u>626,995</u>	<u>621,868</u>	<u>579,521</u>
Net Expenditure			<u><u>8,747,105</u></u>	<u><u>8,723,862</u></u>	<u><u>8,776,215</u></u>

	2010 Outturn	2009 Outturn
	€000	€000
Surplus for the Year	€ 23,242,898	€ 145,133,680
Deferred surrender under Section 91 of the Finance Act 2004	—	€9,000,000
Surplus to be Surrendered	<u>€ 23,242,898</u>	<u>€66,133,680</u>

¹ As a result of the transfer of functions between Government Departments that took effect from 1 May, 2010 certain research functions including the Programme for Research in Third Level Institutions (PRTL) transferred from Vote 26 to Vote 34 - Office of the Minister for Enterprise, Trade and Innovation from that date.

² Following the closure of St. Catherine's College of Education for Home Economics Teachers in 2007 this subhead was utilised from 2008 to 2009 to make payments associated with the wind up of the College.

³ Under the Employment Programmes and Services and Skills Training (Transfer of Departmental Administration and Ministerial functions) Order 2010 (SI 187 of 2010) certain functions previously vested in the Office of the Minister for Enterprise, Trade and Employment were transferred to the re-named Office of the Minister for Education and Skills with effect from 1 May 2010. Expenditure on these functions is accounted for under subheads G.1. to G.8.

⁴ Subheads relating to Skills Development were accounted for under Vote 34, Office of the Minister for Enterprise Trade and Employment up to 30 April 2010.

Notes to the Appropriation Account

1 Operating Cost Statement 2010

	Note	2010 €000	2009 €000
Expenditure on administration		87,915	97,124
Expenditure on services and programmes		9,257,815	9,258,612
Gross expenditure		9,345,730	9,355,736
Deduct			
Appropriations-in-aid		621,868	579,521
Net expenditure		8,723,862	8,776,215
Changes in capital assets			
Purchases cash		(67,971)	(25,910)
Depreciation		1,799	2,133
Loss on disposals		62,595	69,938
Changes in assets under development			
Cash payments		(20,960)	(34,619)
Changes in net current assets			
Decrease in closing accruals		(810)	(11,600)
Decrease in stock		7	41
Direct expenditure		8,698,522	8,776,198
Net allied services expenditure	1.1	22,654	24,874
Notional rents		3,607	4,334
Total operating cost		8,724,783	8,805,406

1.1 Net Allied Services

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

Vote		2010 €000	2009 €000
7	Superannuation and Retired Allowances	16,934	18,357
10	Office of Public Works	5,223	5,984
20	Garda Síochána	214	185
	Central Fund - Ministerial etc. pensions	283	348
		22,654	24,874

2 Statement of Assets and Liabilities as at 31 December 2010

	Note	2010 €000	2009 €000
Capital Assets	2.1	115,213	94,393
Capital Assets under Development	2.2	9,618	7,861
		124,831	102,254
Current Assets			
Bank and Cash	2.3	22,005	82,265
Stocks	2.4	124	131
Prepayments		7,318	9,715
Recoupment of Overpayments		1,581	1,522
Recoupment of Secondment Costs		1,347	1,581
Accrued Income		27,163	42,946
Other debit balances	2.5	6,906	11,417
Total Current Assets		66,444	149,577
Less Current Liabilities			
Accrued expenses		19,126	16,736
Pension recoupment to Local Authorities		151	23,037
Salary recoupment to other Departments and Agencies		—	6
Other credit balances	2.6	25,996	2,736
Net Liability to the Exchequer	2.7	2,915	90,946
Total Current Liabilities		48,188	133,461
Net Current Assets		18,256	16,116
Net Assets		143,087	118,370

2.1 Statement of Capital Assets

	Land and Buildings €000	Furniture and Fittings €000	Office Equipment €000	Total €000
Gross assets				
Cost or valuation at 1 January 2010	90,425	7,712	19,269	117,406
Additions	84,508	59	647	85,214
Disposals	(62,589)	(2)	(438)	(63,029)
Cost or valuation at 31 December 2010	112,344	7,769	19,478	139,591
Accumulated Depreciation				
Opening balance at 1 January 2010	—	6,358	16,655	23,013
Depreciation for the year	—	448	1,351	1,799
Depreciation on disposals	—	(2)	(432)	(434)
Cumulative depreciation at 31 December 2010	—	6,804	17,574	24,378
Net Assets at 31 December 2010	112,344	965	1,904	115,213
Net Assets at 31 December 2009	90,425	1,354	2,614	94,393

General Information Note

1 First Level

1.1. Thirty eight (38) first-level sites are owned and controlled/managed by the Minister for Education and Skills.

1.2(i) Fifty three (53) Gaelscoileanna and twenty two (22) 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.

1.2(ii) Two (2) Multi-Denominational, and one (1) Catholic School site and buildings are held by the Minister for Education and Skills under long term lease agreements but are controlled/managed by Boards of Management.

1.2(iii) Nine (9) Model schools, owned/leased by the State, are controlled/managed by Boards of Management.

1.3. The total number of National Schools in operation on 31 December 2010 was three thousand, three hundred and five (3,305). With the exception of 1.2(i) to 1.2(iii) above the majority of these schools are denominational and owned by the relevant diocesan authority.

1.4. Following the enactment of the Children's Act, 2001, one Children's Detention School vested in the Minister for Education and Skills will transfer to the Health Service Executive following the completion of all necessary legal procedures. Three other Children's Detention Schools were previously transferred to the Department of Justice, Equality and Law Reform. One Children's Detention School is vested with the Office of Public Works. The schools are managed by Boards of Management.

2 Second Level

2.1. Sixteen (16) sites for second-level schools are owned and controlled/managed by the Minister for Education and Skills.

2.2(i) Fourteen (14) Comprehensive schools, seventy eight (78) Community schools and two (2) Secondary schools owned by the Minister for Education and Skills are controlled/managed by Boards of Management.

2.2(ii) Two hundred and fifty-four (254) Vocational schools are vested in Vocational Education Committees under the Vocational Education Act, 1930.

2.2(iii) Three hundred and eighty-one (381) Secondary schools are privately owned.

3 Third Level

3.1. The land and buildings of one (1) third-level institution (Tipperary Rural and Business Development Institute - Thurles Campus) is owned by the Minister for Education and Skills and controlled/managed by the Board of Directors.

2.2 Statement of Capital Assets under Development

	Construction Contracts	In-House Computer Applications	Totals
	€000	€000	€000
Amounts brought forward at 1 January 2010	7,769	92	7,861
Cash payments for the year	20,499	461	20,960
Transferred to asset register	(19,001)	(202)	(19,203)
Amounts carried forward at 31 December 2010	9,267	351	9,618

2.3 Bank and Cash

at 31 December	2010	2009
	€000	€000
PMG balances and cash	29,629	91,036
Orders outstanding	(7,624)	(8,771)
	22,005	82,265

2.4 Stocks

at 31 December	2010	2009
	€000	€000
Stationery	58	59
IT consumables	66	72
	124	131

2.5 Other Debit Balances	2010	2009
at 31 December	€000	€000
Agency Payments to OPW	492	693
Sub-Accountants	126	138
Marriage, Retirement and Death Gratuities	1,429	2,578
Salaries Recoupable	715	782
Schools Broadband Programme	3,580	6,970
Travel Passes	150	122
Due from State - Suspense	6	11
Offices Shared Services Recoupment	219	—
Redress Board	108	—
Cycle to Work Scheme	54	—
Miscellaneous	27	123
	6,906	11,417
2.6 Other Credit Balances	2010	2009
at 31 December	€000	€000
Amounts due to the State		
Due to State Suspense	155	540
Suspense		
Redress Board	—	806
Pension Refund	661	343
Exchequer Extra Receipts	2	20
Erasmus Smith Endowment	125	106
Energy Building Programme	617	772
European Union Funds	24,368	—
Agency Payments to OPW (Maintenance)	21	—
Miscellaneous	47	149
	25,996	2,736
2.7 Net Liability to the Exchequer	2010	2009
at 31 December	€000	€000
Surplus to be surrendered	23,243	145,134
Exchequer grant undrawn	(20,328)	(54,188)
Net liability to the Exchequer	2,915	90,946
Represented by:		
Debtors		
Bank and cash	22,005	82,265
Debit balances: suspense	6,900	11,406
Due from the state - suspense	6	11
	28,911	93,682
Creditors		
Due to State	(155)	(540)
Credit balances: suspense	(25,841)	(2,196)
	(25,996)	(2,736)
	2,915	90,946

2.8 Commitments	2010	2009
at 31 December	€000	€000

A. Global Commitments

Commitments likely to materialise in subsequent years for:-

Procurement subheads	985	1,091
Grant subheads	10,501	15,341

B. Multi-Annual Capital Commitments**1 Legally Enforceable Capital Commitments**

Expenditure in 2010	822,462	796,548
Commitments to be met in subsequent years ¹	1,427,295	1,091,595

¹. Following a review of the Department's PPP commitments it was found that cumulative PPP commitments had been understated in the commitment tables for the period 2001-2009. The errors arose principally due to contractual commitments for certain of the Public Private Partnership projects being reflected in the accounts as VAT exclusive rather than VAT inclusive, upfront construction VAT was not included in certain cases and indexation of the Unitary Payments for the Pilot Schools was not included in the commitment returns.

The total Commitment figures provided for 2009 has been corrected to take account of the errors.

2 Legally Enforceable Capital Commitments

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

	Expenditure to 31 December 2009	Expenditure in 2010	Legally enforceable commitments to be met in subsequent years	Totals
	€000	€000	€000	€000
Subhead F.2.				
1 Malahide C.S.	13,659	187	21	13,867
2 Rathoath V.S.	12,821	360	1	13,182
3 Youghal C.S.	14,549	31	14	14,594
4 Phibblestown C.C. ¹	5,487	13,755	679	19,921

2 Legally Enforceable Capital Commitments (continued)

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

	Expenditure to 31 December 2009	Expenditure in 2010	Legally enforceable commitments to be met in subsequent years	Totals
	€000	€000	€000	€000
Subhead F.3.				
5 Dundalk - Refurb of Carrolls Facility	17,269	2,731	—	20,000
6 Athlone - Engineering Informatics Building	28,681	3,297	4,022	36,000
7 National University of Ireland, Dublin Centre for Synthesis & Chemical Biology	13,488	—	221	13,709
8 National University of Ireland, Cork - Postgraduate Research Library	13,693	—	28	13,721
9 National University of Ireland, Dublin Science Centre	13,269	1,307	2,971	17,547
10 Mary Immaculate College Campus Development Phase 1a/infrastructure	15,078	217	575	15,870
11 Mary Immaculate College Campus Phase 1b/c infrastructure	17,504	5,827	821	24,152
12 National University of Ireland, Galway, Engineering School	9,491	12,809	—	22,300

C. Capital Costs of Public Private Partnership Projects

	Expenditure to 31 December 2009	Expenditure in 2010	Balance still outstanding on capital cost of project at delivery	Totals
	€000	€000	€000	€000
1. National Maritime College of Ireland	14,639	1,531	49,554	65,724
2. Five Schools Bundle PPP ²	17,030	1,916	74,666	93,612
3. Cork School of Music ²	11,115	1,429	66,196	78,740

Notes

¹ The Phibblestown CC project is a combined Primary/Post-Primary project. The overall project cost is €24.038m which is 82.97% funded by the Department of Education and Skills. The remainder is funded by Fingal County Council.

² Expenditure on the project is being met from Subhead F.5.

Note on PPPs

The Department has to date entered into five separate contracts to design, build, finance, maintain and operate educational accommodation under the Public Private Partnership (PPP) model.

There are two third level projects, the National Maritime College, Cork and the Cork School of Music as well as three bundles of schools projects, the Pilot PPP Schools project and the 1st and 2nd Bundle of Schools Projects. All five contracts are for twenty-five years. The buildings will remain in State ownership for the duration of the contract, with the PPP company being granted a licence to build the facilities and maintain them for a period of twenty-five years.

National Maritime College

The National Maritime College of Ireland (NMCI) PPP Project was completed in October 2004 with Focus Education Ireland as the private sector partner. 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 are located in Dunmanway and Ballincollig, Co. Cork, Tubbercurry, Co. Sligo, Clones, Co. Monaghan, and Shannon, Co. Clare. The contract for the Five Schools PPP was signed with Jarvis Projects 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 on 16 July 2007.

1st Bundle PPP Schools

A contract for the design, build, financing and operation of the four post primary schools located in Portlaoise, Co. Laois (2 Schools), Banagher and Ferbane (both in Co.Offaly) was signed with Maquarie Partnerships for Ireland in March 2009. These schools became operational in September 2010. Due to commercial sensitivities the financial elements of the contract will not be made public for at least two years after the schools became operational.

2nd Bundle PPP Schools

A contract for the design, build, financing and operation of the five post primary schools and one primary school located in Bantry Co. Cork (Primary and Post Primary), Kildare town, Abbeyfeale, Co. Limerick, Athboy, Co. Meath and Wicklow town was signed with Maquarie Partnerships for Ireland in June 2010. It is envisaged that all four schools will become operational in late 2011. Due to commercial sensitivities the financial elements of the contract will not be made public for at least two years after the schools become operational.

2.9 Matured Liabilities

Due to internal payment processing deadlines to enable the Department meet commercial bank deadlines for electronic funds transfers, it was not possible to finalise processing of certain bills on hands at year end. Arising from these processing limitations, the Department of Education and Skills had matured liabilities totalling €50,411 at 31 December 2010.

3 Variations in Expenditure

An explanation is provided below in the case of each expenditure subhead where the outturn varied from the amount provided by more than €100,000, and by more than 5% (25% in the case of administration subheads A.1. - A.10.).

In compliance with Public Financial Procedures and with the sanction of the Department of Finance the Department of Education and Skills used a financial process known as virement in 2010, as in other years. This allowed for savings on one or more subheads to be used to meet excesses on other subheads. Please refer to the Public Financial Procedures Sections B.1.1.11 and C.2(6-13). 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 than originally anticipated in 2010.

Also, in the case of capital and in accordance with the Capital Envelope Agreement, the Department utilised capital carryover totalling €79 million which was carried forward from 2009 and which was applied to the Vote 26 Capital Programme during 2010.

Sub-head	Less/(more) than provided	Explanation
	€000	
A.5.	3,159	€1.4m of the saving arose due to delays in commencing and progressing projects due to internal capacity constraints. Savings of circa €0.7m arose due to reduced requirements for IT hardware, software and consumables as well as a one off reduction in licensing costs in 2010. The remainder of the savings arose due to lower costs being incurred in engaging contractors.
A.10.	5,758	The savings can mainly be attributed to the slower than planned pace of recruitment of NEPS psychologists and lower salary scales.
B.3.	130	The saving arose mainly due to a lower level of activity on once-off international projects during 2010.
B.4.	(244)	The excess arose principally due to a less favourable euro - US dollar exchange rate on the UNESCO contribution.
B.6.	6,220	The savings arose principally due to a lower drawdown of substitution costs for continuous personal development events and ongoing efficiencies arising from the amalgamation of support services during 2010. Other miscellaneous initiatives did not progress as planned during 2010.
B.9.	999	The savings principally arose from a reduction in the level of grant paid (€0.7m) due to an operating surplus in the 2009 NCSE accounts. The remainder of the savings arose due to a number of unfilled vacancies.
B.10.	2,940	The savings arose due to a slower drawdown and expenditure from the dormant fund accounts subhead during 2010.
B.15.	883	The savings principally arose due to a lower drawdown of funding to the US-Ireland Alliance. Payments to the fund are subject to matching funding by the fund manager. The remainder of the saving arose due to a lower level of general funding to the North-South projects.
B.17.	1,302	The savings in this miscellaneous subhead, which has eight subdivisions are net savings. €1.1m of the savings arose due to additional resources for teaching through Irish coming on stream at a slower pace than anticipated. The remainder of the savings arose due to lower than anticipated levels of activity on miscellaneous schemes.

Sub-head	Less/(more) than provided	Explanation
	€000	
B.19.	1,683	The saving arises as the Commission was unable to finalise as many third party legal bills as anticipated in 2010.
B.21.	880	In excess of €0.5m of the savings arose due to the non-filling of vacancies and the taking of unpaid leave. Savings of circa €280,000 arose due to lower operation costs.
B.22.	1,714	The savings arose mainly on the current side due to lower levels of activity on IT support, external examining, research promotional activities and publications. Additionally capital savings of €200,000 arose due to delays in the delivery of a new business system in FETAC.
C.5.	15,699	The savings in this subhead are net savings as there are thirteen subdivisions with the subhead being miscellaneous in nature. €8m of the savings arose due to lower than expected spending on the rental of temporary school accommodation during 2010. This is principally due to the decision to grant aid the purchase rather than the rental of prefabs in certain circumstances, along with the policy of allowing schools the option to use their capital grant aid to build a permanent classroom rather than purchase a prefab. Savings of a further €8m arose principally due to lower spend on special education initiatives, legal costs and equipment costs.
C.7.	1,488	The pay savings arose due to a high turnover of staff with replacement staff commencing at a lower point of the incremental pay scale. Savings were also achieved due to lower than anticipated spending on training and consultancy.
D.2.	8,289	€5.8m of this saving is technical in nature due to the fact that the total allocation for payment of certain grants to second level schools was attributed in the Estimates to Subhead D.2., before it was known what the exact apportionment of grants across secondary schools (Subhead D.2.) Community and Comprehensive schools (Subhead D.5.) and VEC Schools (Subhead D.6.) would be. For technical reasons the subsequent grant allocations to Community and Comprehensive and VEC schools had to be paid via these subheads. Accordingly the underspend on D.2. of €5.8m is balanced by overspends on Subheads D.5. and D.6. The remainder of the saving arises from lower than anticipated grant payments across the range of per capita grants.
E.9.	(401)	The excess arose due to higher than anticipated requirement from the free fees initiative in non-HEA Institutions. Due to variances in enrolments from year to year it is difficult to forecast the numbers who will be eligible for free fees.
E.14.	789	The savings principally arose due to the consultation process required in regard to the draft strategic plan for Grangegorman prior to its submission to Government. Savings of circa €600,000 arose on pay as the planned recruitment of additional staff and the filling of vacancies did not proceed as early as planned.
F.2.	(13,468)	The excess spending on the subhead reflects shifts in expenditure between different capital subheads within the Department's capital envelope. €8m arose due to the provision of grants to review physical education equipment in 721 post primary schools. The remainder of the excess arises from greater levels of activity on smaller scale projects than had been forecast.

Sub-head	Less/(more) than provided	Explanation
	€000	
F.5.	6,909	The savings on the PPP subhead arose principally for the following main reasons. Lower unitary payments were incurred due to a delay in two schools becoming operational. Additionally capital costs were less than anticipated due to a 3rd level PPP project bundle not progressing as originally planned, along with the fourth schools bundle not commencing. Additional savings arose due to lower Consumer Price Index increases being applied during 2010 on the Pilot Schools, National Maritime College and the Cork School of Music.
G.1.	4,946	The saving principally arose due to higher than expected numbers of retirements during 2010. The savings in this subhead were utilised through virement to assist the consequential excess of €4.9m on subhead G.5. FÁS Pension Payments.
G.5.	(4,946)	The excess arose due to higher than anticipated numbers of retirements during 2010.
G.6.	507	The savings arose due to a slower rate of project approval than had been anticipated.
G.7.	813	Expenditure was less than anticipated due to the tender process for Mid term Evaluations not progressing as planned in 2010 resulting in expenditure commencing in 2011. Planned expenditure on transnational activities and communications/publicity did not progress as planned during 2010.

4 Receipts

4.1 Appropriations-in-aid	2010	2010	2009
	Estimated	Realised	Realised
	€000	€000	€000
H.1. Administration and Other Services Receipts			
1. EU Travel Receipts	1	—	—
2. Contributions from the EU for educational activities	25	33	—
3. Receipts from the European Social Fund	69,393	49,972	36,102
4. Receipts in respect of Peace Programme	99	512	6
5. Miscellaneous	741	1,404	2,168
6. Dormant Accounts Funding	4,999	2,239	8,404
7. Miscellaneous Superannuation Schemes including National Education Welfare Board, Teaching Council and other miscellaneous bodies	696	785	382
H.2. First Level Receipts			
1. Superannuation, etc., of National Teachers:			
(i) Refunds of gratuities under Superannuation Schemes, 1934 to 1958, etc.	460	404	668
(ii) Contributions to the Superannuation Schemes	82,226	81,114	86,086
(iii) Contributions to Teachers' Spouses and Children's Pensions Scheme	27,784	27,755	29,304
2. Miscellaneous	550	2,750	2,069
3. Contributions to Superannuation Scheme for Special Needs Assistants, Caretakers and Clerical Staff in National Schools (Subhead C.4.)	7,100	6,541	7,240
4. Recoupment of salaries, etc., of teachers on secondment and recovery of overpayments of salary	4,780	5,005	6,150
5. Handling charge involved in making certain deductions from teachers' salaries	315	288	309
H.3. Second Level and Further Education Receipts			
1. Superannuation, etc., of Secondary, Comprehensive and Community School Teachers:			
(i) Contributions to Secondary Teachers' Superannuation Scheme	59,263	58,585	67,787
(ii) Contributions to Secondary Teachers' Spouses and Children's Pension Scheme	17,856	17,003	19,308
(iii) Refund of Gratuities under Secondary Teachers' Superannuation Scheme	81	82	125
2. Repeat Leaving Certificate course fees	70	90	142
3. Miscellaneous	451	1,992	1,882
4. Contributions to Superannuation Scheme for Special Needs Assistants and Clerical Assistants in Secondary Schools (Subhead D.3.)	1,000	1,004	1,054

	2010 Estimated €000	2010 Realised €000	2009 Realised €000
H.3. Second Level and Further Education Receipts			
5. Recoupment of salaries, etc., of teachers on secondment and recovery of overpayments of salary	5,500	4,089	6,159
6. Handling charge involved in making certain deductions from teachers' salaries	201	178	191
H.4. Fás Receipts^{1&2}			
1. FÁS - Pensions	2,274	2,532	—
2. FÁS - Pension Receipts arising from the Financial Measures (Miscellaneous Provisions) Act	3,777	3,555	—
H.5. Pension Levy			
1. Receipts from Pension-related Deduction on Public Service Remuneration	337,353	353,956	303,985
Total	626,995	621,868	579,521

¹. Under the Employment Programmes and Services and Skills Training (Transfer of Departmental Administration and Ministerial functions) Order 2010 (SI 187 of 2010) certain functions previously vested in the Office of the Minister for Enterprise, Trade and Employment were transferred to the re-named Office of the Minister for Education and Skills with effect from 1 May 2010.

². FÁS receipts were brought to account in Vote 34, Office of the Minister for Enterprise, Trade and Employment during 2009 and to 30 April 2010 under Vote 34, Office of the Minister for Enterprise, Trade and Innovation.

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%.

Heading	Less/(more) than estimated €000	Explanation
H.1.		
3.	19,421	The principal reason for the shortfall of European Social Fund (ESF) receipts (Subhead H.1.3) against the Voted estimate for 2010 arises due to the European Commission temporarily excluding elements of ESF expenditure, pending the implementation of certain audit recommendations. This expenditure was originally included in the calculations of the 2010 Estimates. This expenditure will be claimed later from the European Commission, without any expected loss of EU monies to the Irish Exchequer.
4.	(413)	The surplus arose principally from an accumulation of claims due under the Peace II Programme. The sums received in 2010 had been due to the Department from the European Union's Special EU Programmes Body for a number of years.
5.	(663)	Surplus miscellaneous receipts arose due to the recoupment of redundancy rebates, refunds of PRSI contributions, payover of social insurance benefits along with shared services costs and other ad-hoc receipts which are difficult to estimate.
6.	2,760	This subhead is utilised to bring to account receipts associated with expenditure incurred on the Dormant Funds Scheme, under Subhead B.10 Income to Subhead H.1.6. is linked to expenditure from subhead B.10 making it Exchequer neutral. A shortfall in receipts arose as a result of the savings in expenditure on subhead B.10.
H.2.		
2.	(2,200)	Surplus miscellaneous receipts arose mainly due to the recoupment of social insurance benefits and other ad-hoc receipts which are difficult to estimate.
3.	559	The shortfall in receipts arose due to an overestimation of the receipts that would be collected during 2010.
H.3.		
3.	(1,541)	Surplus miscellaneous receipts arose principally due to the recoupment of monies from local authorities relating to particular projects which support enhanced capital facilities in schools. The remainder of the surplus receipts largely arose due to refunds arising from out of date payable orders, refunds and the recoupment of social insurance benefits and other ad-hoc receipts which are difficult to estimate.
5.	1,411	The shortfall in receipts arose due to an overestimation of the value of recoupable receipts as well as a reduction in the number of secondment arrangements in place.

Heading	Less/(more) than estimated €000	Explanation		
H.4.				
1.	(258)	Surplus receipts arose due to the collection of higher than anticipated levels of pension contributions.		
2.	222	The shortfall in receipts relating to pension contributions paid by former ANCO staff to the FÁS closed pension scheme arises principally due to higher numbers of retirements leading to a reduction in the number of paying members.		
4.2 Extra receipts payable to the Exchequer			2010	2009
			€000	€000
Exchequer Extra Receipts -			345	325

5 Employee Numbers and Pay

	2010	2009
Number of staff (full time equivalents) ¹	97,970	95,152

¹ Under the Employment Programme and Services and Skills Training (Transfer of Departmental and Administration and Ministerial functions) Order 2010 (SI 187 of 2010) certain functions previously vested in the Office of the Minister for Enterprise, Trade and Employment were transferred to the re-named Office of the Minister for Education and Skills with effect from 1 May 2010. This transfer included responsibility for FÁS. As a result, the staff numbers shown for 2010 include for the first time FÁS staff.

	€000	€000
Pay	53,817	59,850
Higher, special or additional duties allowances	278	587
Other allowances	113	193
Overtime	699	605
Employer's PRSI	4,241	3,770
Total pay	59,148	65,005

The financial details in this table relate solely to staff paid from the Administrative subhead A.1. Staff Salaries.

5.1 Allowances and Overtime Payments

	Number of recipients	Recipients of €10,000 or more	Maximum individual payment 2010 €	Maximum individual payment 2009 €
Higher, special or additional duties	69	6	19,548	38,627
Other allowances ¹	100	—	5,772	12,803
Overtime and extra attendance	267	10	16,974	23,766

Note: Certain individuals received extra remuneration in more than one category.

The details of allowances and overtime payments in this table relate solely to staff paid from the Administrative budget subheads A.1. and A.10.

¹ Due to an error in the 2009 accounts, the maximum individual payment listed under the category of Other allowances, which should have been reflected as €12,803 was listed as €12,864.

6 Miscellaneous Items

6.1 National Lottery Funding

The subheads in Vote 26 from which the National Lottery sourced funding was paid are noted below. A full list is available on the Department's website (www.education.ie)

Recipients of Funding from National Lottery	2010	2009
	€000	€000
Expenses of Adult Education Organisations (Subhead B.1.)	864	941
Cultural Activities (Subhead B.14.)	196	207
Total	1,060	1,148

6.2 EU Funding

The amount of €49,972,299 received from the European Social Fund 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: - A.1., B.5.,B.20., B.22., D.1., D.6., D.9., E.4., and E.12.

Arising from the Transfer of Functions during 2010, the sum of €138,448 received in 2010 from ESF activities and shown in the H.1.3 total income of €49,972,000 derives from expenditure under the former Department of Enterprise, Trade and Employment - Vote 34 expenditure subheads M.1, M.2, M.3 and M.5 in previous years. Ongoing equivalent expenditure in Vote 26 is now recorded in subhead G.7.

EU funding Directly to Bodies

In addition to the grants from the Vote, direct EU aid to Bodies under the Aegis of the Department during 2010 was as shown below.

Subhead	Description	2010	2009
		Funding	Funding
		€	€⁽¹⁾
G.1.	FÁS	567,204	867,638

¹ Arising from the Transfer of Functions during 2010 responsibility for FÁS was transferred from the former Department of Enterprise, Trade and Employment (Vote 34) to the Department of Education and Skills. During 2010 FÁS received direct EU aid to the amount of €567,204. In the 2009 Appropriation Accounts the €867,638 received by FÁS was accounted for in the Vote 34 accounts.

European Globalisation Adjustment Fund

The European Globalisation Adjustment Fund (EGF) is an European Union funding programme which assists Member States to provide a programme of upskilling and retraining supports to workers made redundant as a result of globalisation and changing global trade pattern. The EGF allows funding of up to 65% of the cost of providing relevant supports with the remaining 35% of funding required to be provided through national supports.

Ireland made three successful applications for EGF Funding in 2009 resulting in EU funding of €24,840,000 being paid over in 2010. €17,400,000 of the EGF funding was initially paid over to the former Department of Enterprise, Trade and Employment prior to the 2010 Transfer of Functions. €7,440,000 was paid over by the EU to the Department of Education and Skills following the Transfer of Functions.

In 2010, €2,545,625 in EGF related funding was paid to relevant City and County Enterprise Boards, the Higher Education Authority and relevant Vocational Education Committees under the following EGF Programmes;

European Globalisation Fund Programme	2010 Total Funding
	€000
Dell	1,898
Waterford Crystal	520
S. R. Technics	128
Total Funding	<u>2,546</u>

Arising from the Transfer of Functions during 2010, the Exchequer element of the European Globalisation Fund (EGF) payments was made by two Departments, the former Department of Enterprise, Trade and Employment from Vote 34's subhead L.3 and post Transfer of Functions from the Department of Education and Skills Vote 26's subhead G.6.

Of the €2,546,000 paid in 2010, 35% was funded from national sources and 65% was funded by EU EGF funding. The 35% national contribution was paid from the relevant Votes (€732,601) and from the National Training Fund (€158,368).

6.3 Commissions and Enquiries

	Year of appointment	Cumulative Expenditure to 31 December 2010 €000	Expenditure in 2010 €000	Expenditure in 2009 €000
Commission to Inquire into Child Abuse	1999	65,194	2,261	3,570
Residential Institutions Review Committee	2003	5,955	840	937
Commission on School Accommodation	1996	3,517	12	25
Inquiry into Kilkenny City Vocational School ¹	2006	324	39	120
		<u>74,990</u>	<u>3,152</u>	<u>4,652</u>

¹ Costs for the Kilkenny Inquiry were understated in error in each of the 2008 and 2009 Vote 26 Accounts. Cumulative expenditure on the Commission to 31 December 2008 was €164,282 and cumulative expenditure to 31 December 2009 was €284,538.

6.4 Contingent Liability

There will be further payments associated with the Commission to Inquire into Child Abuse and the Redress Board. Final costs cannot be determined at this point as the work of both bodies is ongoing.

Expenditure for the Commission to Inquire into Child Abuse from inception, to the end of 2010, was €65,194,363. At this point, it is estimated that a provision in the region of €30 - €35 million may be required to meet remaining costs of the Commission. This is a tentative provision, given that the Commission has yet to negotiate on a large volume of third party legal representation costs.

Expenditure associated with the Redress Board to the end of 2010 was €1,044,749,138 at which time some 14,390 applications had been processed out of a total of approximately 14,935 (including 487 late applications) received by the Board. At this point it is estimated that additional costs of up to some €90 million may arise. The estimate is based on the average award and also takes account of the latest information on late applications. However, the estimate is tentative given that the Board continues to receive and process late applications and that the level of award in these remaining cases may vary from the average.

6.5 Legal costs and compensation

Expenditure under Subhead B.12. includes awards totalling €235,000 in respect of two redress cases. Medical and other fees totalling €4,070 were incurred in the two award cases and two other cases. Legal costs totalling €522,173 were incurred in twenty other cases. (S18/10/04, Sanction number 1451 of 2010 and Sanction letter dated 02/02/2005)

6.6 Residential Institutions Redress

Redress 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 accounts are subject to audit by the Comptroller and Auditor General.

Redress Special Account Pending Establishment of the Statutory Fund

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 Finance and the Department of Education and Skills was opened in the Central Bank to receive the cash contributions from Congregations. During 2010, €20.6million was received in such contributions. These contributions, and the associated interest earned on the account, will be transferred to the Statutory Fund when established. The closing balance on the account at 31 December 2010 was €20,611,915.

6.7 Expenditure on Temporary School Accommodation

Expenditure under Subheads C.5. and D.8. included amounts totalling €29,300,944 in respect of temporary school premises.

6.8 Deferred Surrender

Under the provisions of Section 91 of the Finance Act 2004, €79m of the 2009 unspent allocation in respect of the Capital element of subhead B.18. and also in respect of subhead F.1. was carried forward to 2010 and utilised as deferred surrender expenditure during 2010.

7 Miscellaneous accounts

7.1 Non Voted Accounts	Securities	Cash	Total	Total
	€000	€000	2010 €000	2009 €000
Securities Balance on 1 January 2010	1,106	—	1,106	1,094
Securities Redeemed	(558)	—	(558)	—
Transfer from Income Account	—	558	558	(14)
Securities Purchased	—	—	—	26
Transfer of redemption money	—	(558)	(558)	—
Balances on 31 December 2010	548	—	548	1,106

Receipts and Payments Account for the year ended 31 December

	Total	Total
	2010	2009
Balances on 1 January	114	79
Receipts	607	384
Transfer to Capital Account ¹	(558)	—
Payments	(20)	(349)
Balances on 31 December	143	114

¹. In line with an agreement with the Office of the Commissioners of Charitable Donations and Bequests (Vote 24), with effect from 2010 the Commissioners are accepting this Department's endowments investment income for investment in units of the Commissioners Common Investment Fund.

7.2 Endowed Schools

Account of the Receipts and Payments of the Endowed Schools (constituted under the Educational Endowments (Ireland) Act, 1885) during the year ended 31 December 2010, in respect of Capital and Income

	Securities	Cash	Total	Total
	€000	€000	2010	2009
			€000	€000
Balance on 1 January	601	—	601	591
Securities Redeemed	(185)	185	—	—
Transfer from Income Account	—	26	26	3
Transfer of funds for re-investment ¹	—	(211)	(211)	7
Balances on 31 December	416	—	416	601

Receipts and Payments Account for the year ended 31 December		2010	2009
		€000	€000
Balances on 1 January		20	8
Receipts		249	148
Transfer to Capital Account		(211)	(136)
Payments		(45)	—
Balances on 31 December		13	20

¹. In line with an agreement with the Office of the Commissioners of Charitable Donations and Bequests (Vote 24), with effect from 2010 the Commissioners are accepting this Department's endowments investment income for investment in units of the Commissioners Common Investment Fund.

7.3 Grant in Aid Fund 2010	2010	2009
	€000	€000
Subhead B.1. - Fund for General Expenses of Adult Education		
Organisations (National Lottery Funded)	864	941
Subhead B.8. - Payments in respect of Local Drug	—	—
Task Force projects	2,461	3,643
Subhead B.14. - Fund for General Expenses of Cultural, Scientific and Educational Organisations (National Lottery Funded)	196	207
	3,521	4,791