



**IPA**  
AN FORAS RIARACHÁIN  
INSTITUTE OF PUBLIC  
ADMINISTRATION

ANNUAL  
REPORT  
**2014**

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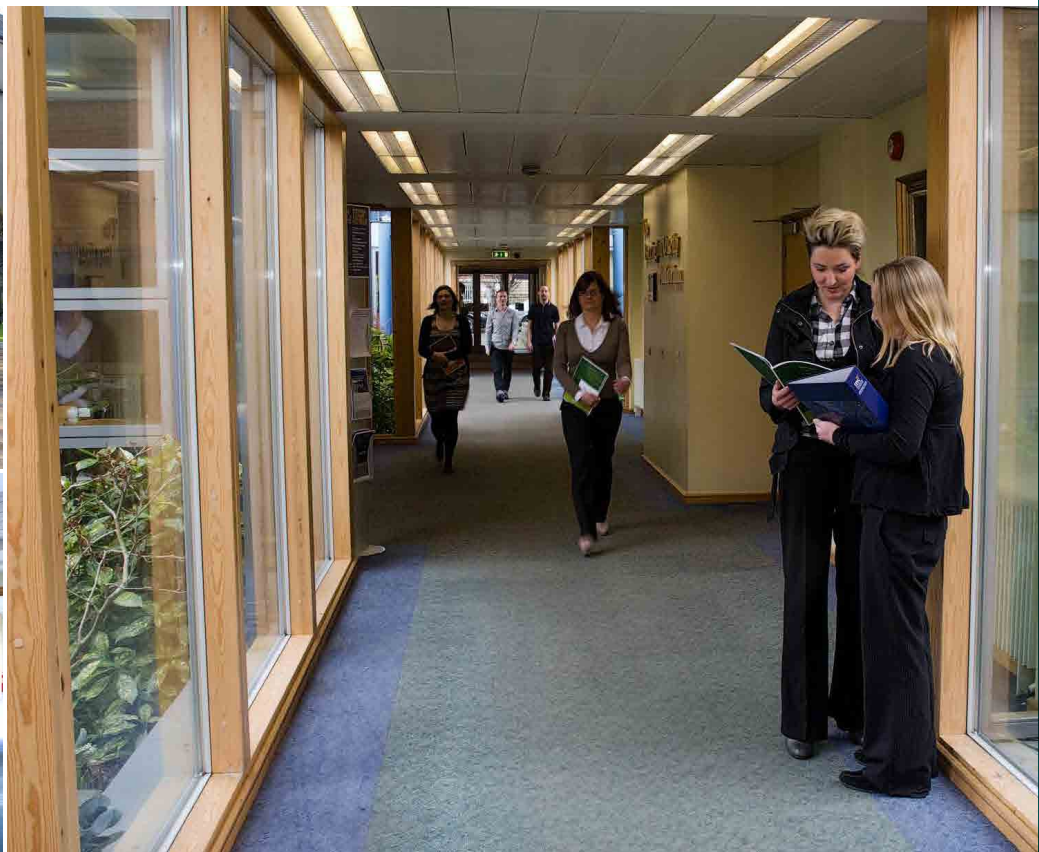
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# FOREWORD

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In his conclusion to the IPA's *Public Sector Trends 2014* report, which recorded growing levels of trust and confidence in Irish public administration, and improving public finances, Dr Richard Boyle noted that: 'There are some signs that aspects of quality are seen as having improved in the last three years. As numbers employed in the public service have been falling in recent years at the same time as the population and demand for services has been increasing, to register some improvements in quality of public services compared to other European countries in these circumstances is no small feat.'

Indeed the sheer extent of change and reform in the Irish public sector over a relatively short time period, which has helped lay the basis for economic recovery that first became truly evident in 2014, has been remarkable. The IPA not only has tracked and monitored this progress through its research activity but has also contributed to that process of change and reform through its training, education and advisory services.

Since its foundation the Institute has had exceptionally strong links to the different sectors of the public service and has maintained these to the present day. This has placed the IPA in a unique position to understand the issues of the day, and to partner with public service organisations as they seek to address new and different challenges. The Institute also takes great pride in its personalised approach to the delivery of its training and education programmes.

All of these characteristics were strongly in evidence during 2014. The IPA delivered services for governance and leadership networks, for the group of chief executives of commercial state bodies, hosted a range of important seminars and conferences on themes of good practice in public administration, and partnered with a range of public service bodies such as the Central Statistics Office, for the Diploma in Official Statistics, and the Office of the Ombudsman, for the Institute's annual National Conference. In December over 700 graduands were conferred at a ceremony in Dublin Castle. And the Institute supported the public reform process through new initiatives on shared services, service-level agreements, audit committees and financial reforms.

While the Institute has always been strongly linked with the practice of public service, in the past few years, and as part of its current strategy, it has also sought to position itself strongly from an academic perspective as the professional development agency for the public service. This is in order to support the key principles of progression, transfer, flexibility of access, and specialisation in the training and education of public servants. A further milestone in that journey was reached in 2014 with the signing of a formal partnership agreement with University College Dublin. This will complement the Institute's already strong links to the public service with a gateway to teaching and research expertise within a large university. This development is also reflective of a trend towards consolidation and partnerships in third-level education, and helps to position the Institute well for the years ahead.

The experience of the IPA over the past five years has mirrored the experience of the public service more generally. It has been a period of financial consolidation and retrenchment, of significant organisational change, but also a period of innovation. It is a tribute to the Institute and its staff that, at the same time as undertaking significant internal changes, new services and programmes were also brought forward to support clients at a time of dramatic change and challenge for them. The clients of the Institute have also been highly supportive of the Institute over the period, and I have seen this reflected in the deliberations of the Board, which is itself representative of the different sectors of the public service.

The year just passed marked the end of one phase and the beginning of another. The Irish public service, and the Institute, is now entering a new and different phase that will involve different challenges and require different responses. But despite the difficulties experienced over the past few years, the IPA is emerging strongly with renewed clarity about its mission and role, and strong connections to the public service and to academia, is well respected internationally and is well positioned to take advantage of the new opportunities ahead.

That strong relationship between the IPA and its public service clients - and the continued commitment of the staff to the core mission and purpose of the Institute to support the improvement and development of public administration - represents a great resource that will continue to serve the public service for many years to come.



**NIAMH O'DONOGHUE**  
Chair



**BARONESS NUALA O'LOAN**

Speaker, IPA 2014 National Conference, *Held to Account: Responsibility and Accountability in the Public Service*.



**NIAMH O'DONOGHUE**

Chair



# DIRECTOR GENERAL'S REPORT

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At the start of 2011, following an extensive process of consultation, we published a new corporate strategy for the period 2011-2015 entitled *Professional Development and Public Service Renewal*. In summary, and as the title suggests, the strategy committed the Institute to positioning itself as the primary professional development agency for the public service. Recognising the importance of lifelong learning in the public service, the strategy sought to position the Institute more strongly in the area of accredited programmes and continuing professional development for the public sector (including accreditation by professional bodies and the university sector). However, the strategy also recognised that ongoing and active practical engagement with the system of public administration is a hallmark of an institute like the IPA that is oriented to professional development.

The year 2014 marked another important year in the implementation of that strategy. A memorandum of agreement with University College Dublin was signed in 2014, which formalised the strategic alliance with the university that commenced in 2011. Under the auspices of that strategic alliance, a medium-term plan for the accreditation of new and revised IPA education programmes was approved. The plan reflects the trend towards greater specialisation of knowledge and skills in the Irish public service, and includes a range of new postgraduate professional diplomas and specialist streams, a number of which commenced in this academic year.

The first graduations from our Diploma in Business Studies in Nanchang University, China, took place in June, and a number of these graduates have now joined the BBS programme at the IPA in Dublin to complete their studies. This is the first group of Chinese students to study full-time at the IPA. A record number of students also enrolled on the US semester-abroad programme, which sees students from US universities study at the IPA to complete an element of their masters degree. The larger numbers reflect the addition of students from the University of California to the programme.

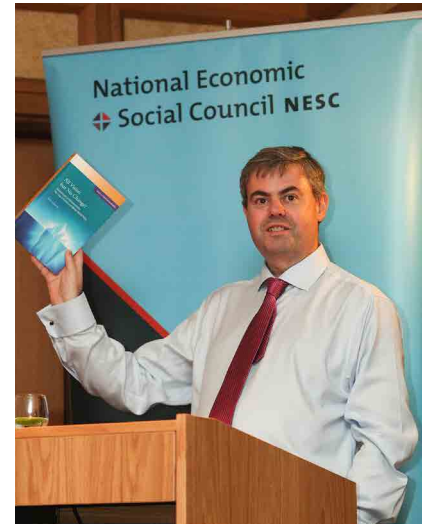
The year also saw the first steps for a number of years towards new recruitment to the public service, and the IPA supported this by designing new induction programmes for graduates recruited to local government, and for newly recruited third secretaries in the Department of Foreign Affairs and Trade.

Our Research Unit completed a number of important research reports during the year that continued to inform the ongoing process of public sector reform. These included *Public Sector Trends*, the annual international comparative review of trends in the size, cost, quality and levels of trust in the public sector. Also the views of senior executives from across the public sector were reflected in the study *Public Sector Reform in Ireland: Views and Experiences from Senior Executives*, which was linked to a larger research survey in other EU countries.

A review of our publishing activity by a group of external experts was completed in 2014 and a number of recommendations were made and are being implemented, such as a progression towards online publishing, including of our journal *Administration*. A number of new book titles were also published.

For the first time the Institute hosted its annual National Conference with a partner organisation. A very successful joint National Conference, entitled *Held to Account: Responsibility and Accountability in the Public Service*, was hosted with the Office of the Ombudsman to mark the thirtieth anniversary of that office, and was opened by the Minister for Public Expenditure and Reform.

The year also saw some recovery in levels of training and development activity across the public service. New services to support good governance, and the implementation of service-level agreements, were launched and there continued to be good demand for leadership, mediation, HR, finance and information technology programmes, many of which are accredited by professional bodies.



**GUEST OF HONOUR MARTIN FRASER**  
Secretary General, Department of the Taoiseach, at the launch of *All Vision but No Change? Determinants of Implementation: The Case of Ireland and Mental Health Policy*.



**DAME BEVERLEY A. WAKEM**  
Chief Ombudsman, New Zealand, speaking at the IPA 2014 National Conference, *Held to Account: Responsibility and Accountability in the Public Service*.



The IPA has always played an important role in developing public administration capacity in other countries, and this also provides an opportunity to showcase best practice in the Irish public service. During the year we hosted a number of study visits, including one by the National School of Government in South Africa. Implementation of a significant new contract to support development in the Bulgarian civil service also commenced during the year.

As noted in previous annual reports, the Institute has experienced a number of very difficult years due to the economic recession and cutbacks in public sector spending. However, corrective actions were taken at an early stage, and this has allowed the Institute to benefit from the positive momentum that became evident in 2014. A good financial performance was recorded again in 2014 and confirmed that the overall financial position has stabilised. The Institute is now very well placed to benefit as the economy improves, and to serve the changing needs of the public service in the years ahead. Such a significant achievement reflects positively on the loyal support of our clients, including the Department of Public Expenditure and Reform, the positive contribution of our staff, and the wise counsel and direction of our Chairman and Board.



**BRIAN CAWLEY**  
Director General



**BRIAN CAWLEY**  
Director General



# EDUCATION

# EDUCATION

The IPA is the only specialist provider of education to the public service in Ireland. The education services of the IPA are particularly important at this time of significant change in the public service, and our programmes aim to provide specialist skills and knowledge, a broadly based understanding of public policy, analytical skills and the opportunity for progression from level 6 awards right up to level 10 on the National Framework of Qualifications. Our programmes are also designed to provide a flexible and personalised service so as to facilitate and support students who are also working full-time. In that context the provision of online support for students has become particularly important.

Throughout the recent economic recession the uptake on education programmes at the IPA has remained steady – indeed, with some growth at postgraduate level – and this trend continued for 2014.

## NATIONAL UNIVERSITY OF IRELAND AND UNIVERSITY COLLEGE DUBLIN ACCREDITED PROGRAMMES

Between 2001 and 2011 the IPA was a recognised college of the NUI. In 2011 the IPA became a recognised college of UCD. Students who enrolled on education programmes from September 2011 are eligible to receive UCD-accredited qualifications. Students who had enrolled in prior years will complete their qualifications under NUI accreditation. The conferring ceremony for NUI-accredited programmes took place on 5 December 2014 when 174 graduates were conferred.

The conferring of IPA students on UCD-accredited masters programmes and undergraduate diploma programmes also took place on 5 December 2014 when 550 graduates were conferred. An additional 215 students were presented with UCD certificates.

Over the academic year 2013/2014, the Institute offered a suite of undergraduate and postgraduate programmes ranging from level 6 to level 10 of the National Framework of Qualifications.

## UNDERGRADUATE PROGRAMMES

The flagship programmes – the Bachelor of Arts (Hons) and the Bachelor of Business Studies (Hons) – were offered through three delivery methods: lectures at the IPA, lectures at regional centres and distance education/blended learning.

In 2013/2014 seven specialisms were offered on the Bachelor of Arts (Hons) and four on the Bachelor of Business Studies (Hons).

The Institute also offered a wide range of certificate and diploma programmes ranging from Law to Computer Studies and from Local Government Management to European Union Studies.

The Professional Diploma in Official Statistics for Policy Evaluation is a one-year programme offered in conjunction with the Central Statistics Office. Over fifty students were enrolled in 2014, as part of the third intake into the programme. Previously, twenty-seven students graduated in 2012 and thirty-six students graduated in 2013.

Overall, just over 800 students were enrolled in our undergraduate programmes in 2014.

## POSTGRADUATE PROGRAMMES

The Institute's Master of Arts programmes have a common first year, which leads to an award of Postgraduate Diploma in Public Management. In year two, students progress to a choice of seven specialist areas. In 2014 the total number of students enrolled on Master of Arts programmes was approximately 185.

The Master of Economic Science in Policy Analysis is a two-year programme with the award of Postgraduate Diploma in Policy Analysis at the end of the first year. Students study a range of policy-related subjects in the first year and they work on applied dissertations in the second year. In 2014 fourteen students enrolled on the programme and twelve students graduated, having successfully completed the programme.



Pictured (l-r) at the 2014 IPA conferring ceremonies were Alan Clear, BA (Hons) (Public Management), and Brian Loughlin, BA (Hons) (Human Resource Management).



Pictured at the 2014 IPA conferring ceremonies were Therese Casey, BA (Hons) (Local Government), and Louis Duffy, Director of Services, Cork County Council.



Pictured at the 2014 IPA conferring ceremonies were Peter Jordan, BBS (Hons) (Marketing), and his daughters Roisín and Saoirse.

The Master of Science in Business and Management programme commenced in September 2011. This MSc is a two-year, part-time programme. The first graduates of the programme graduated in December 2013. A new intake of seventy students was enrolled on the programme in September 2014.

The Professional Certificate in Governance is a one-year programme which was first offered in 2011. Twenty-eight students were enrolled on the programme in 2014.

The Doctorate in Governance programme commenced in 2003, and the first graduates were conferred in 2006. Between 2003 and 2011 the Doctorate in Governance programme was jointly offered with Queen's University Belfast. In 2011 the Institute embarked on a new arrangement to jointly offer the programme with UCD. In 2014 forty-one students were enrolled in the doctorate programme.

**DR MICHAEL MULREANY**

Assistant Director General



**DR MICHAEL MULREANY**

Assistant Director General



# RESEARCH

# RESEARCH

The IPA has a small, full-time, dedicated team of staff undertaking applied research for government departments and other public sector bodies. The year 2014 saw the continuation of the IPA 'State of the Public Service' research series, which started in 2010. This initiative tracks public service transformation and provides an evidence-informed perspective on public service change, facilitating key media contributions and other activities by the IPA. This is in line with the strategic objectives of developing an IPA 'voice' on key aspects of the transformation agenda, developing an IPA position on certain key aspects of change and building the IPA's reputation as a source of public sector reform expertise. Under this series, four reports were published in 2014:

## • CIVIL SERVICE ACCOUNTABILITY: CHALLENGE AND CHANGE

Public servants are already subject to a variety of accountability demands. These demands are in many respects fragmented, leaving gaps which can lead to public perceptions of incompetence. A systemic review of existing accountability relationships, and the adoption of a more networked approach to public service accountability that involves parliament and its committees at the apex, is needed. This would involve other forums and actors, including public bodies such as Ombudsman and audit offices at local and national levels, but could involve non-public actors also. The central issue is strong coordination of what is an otherwise fragmented system. The report is available for download at

[http://www.ipa.ie/pdf/IPA\\_Accountability\\_2014.pdf](http://www.ipa.ie/pdf/IPA_Accountability_2014.pdf)

## • PUBLIC SECTOR REFORM IN IRELAND: VIEWS AND EXPERIENCES FROM SENIOR EXECUTIVES

This report outlines the results of a survey of senior managers across the public service in Ireland. It compares these results with those in ten other European countries where the survey was also undertaken, as part of an EU-funded COCOPS research project. Amongst the highlights of the report are the following:

- two-thirds of top managers feel that public administration has improved in the last five years - the most in any country apart from the Netherlands;
- two-thirds of managers also believe things have got worse with regard to citizen trust in government;
- Irish public managers have much less autonomy than those in most other European countries, particularly with regard to the recruitment and promotion of staff;
- pay cuts have been applied to a greater extent in Ireland than elsewhere in Europe.

This report is available for download at

[http://www.ipa.ie/pdf/PublicSectorReform\\_View&Experience\\_2014.pdf](http://www.ipa.ie/pdf/PublicSectorReform_View&Experience_2014.pdf)

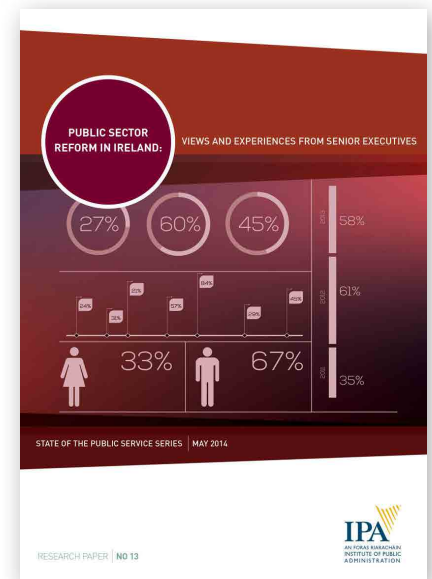
## • THE STATE OF POLICY EVALUATION IN IRELAND

This report shows that:

- despite improvements, getting good data on the performance of spending programmes is still a challenge in many cases;
- evaluation reports carried out by government departments tend to recommend improvements to programmes rather than address more basic questions of whether they should exist at all, or what alternatives there might be;
- the Irish Government Economic and Evaluation Service, introduced in 2011, is a good initiative which needs to be further developed;
- it is difficult to get politicians interested in reports on the evaluation of policy.

The report is available for download at

[http://www.ipa.ie/pdf/Evaluation\\_Report\\_Sept\\_2014.pdf](http://www.ipa.ie/pdf/Evaluation_Report_Sept_2014.pdf)



## • PUBLIC SECTOR TRENDS 2014

This report examines trends in public sector development and is the fifth in our annual series. The intention is to help inform the debate on Ireland's public sector and public administration, and its role in Irish society. Using data gathered from a number of sources, information on the size and cost of the public sector, the quality of public administration, efficiency and performance, and levels of trust and confidence is presented in a simple but rigorous manner. This report is available for download at

<http://www.ipa.ie/pdf/PUBLICSECTORTRENDS2014.pdf>

Under the 'Local Government' research series a further two reports were published in 2014:

## • PUBLIC SECTOR REFORM IN IRELAND: VIEWS AND EXPERIENCES FROM LOCAL GOVERNMENT SENIOR EXECUTIVES

This is a companion survey to that conducted in central government as noted above. Highlights from the report include the following:

- half of senior local authority managers feel that public administration has improved in the last five years, while half feel it has disimproved;
- local authority managers feel that they have higher levels of management autonomy than central government executives, though they still feel they have low levels of autonomy in relation to promoting, dismissing or hiring staff;
- just over half of local government managers feel that politicians interfere with routine activities, but there is a very strong view that politicians do not influence senior-level appointments;
- cuts to existing programmes, postponements or cancellations of programmes, reductions of front-office presence and increased user fees and charges have been applied to a somewhat greater extent in local government than central government in the view of respondents.

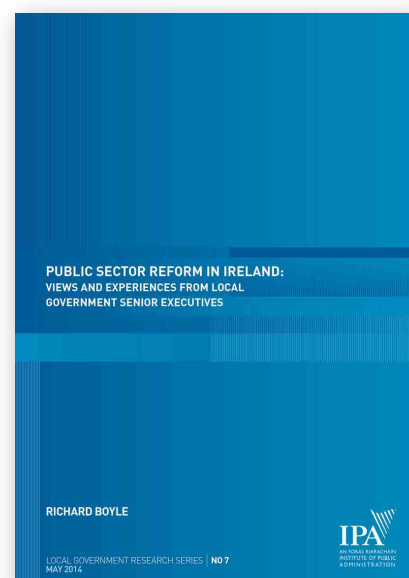
This report is available for download at

[http://ipa.ie/pdf/PublicSectorReform\\_LocalGovViews.pdf](http://ipa.ie/pdf/PublicSectorReform_LocalGovViews.pdf)

## • SERVICE LEVEL AGREEMENTS

In the current climate of tighter budgets and pressure on resources, many public sector organisations, including local authorities, are outsourcing services to external organisations under 'service level agreements'. Service level agreements are also being used internally within organisations, guiding interaction between different sections of the organisation such as between central support services and delivery units. The report is primarily targeted at those local authority staff who are not particularly familiar with or aware of service level agreements. It is intended as a short, general introduction to the subject. This report is available for download at

[http://www.ipa.ie/pdf/ServiceAgreementsReport\\_2014.pdf](http://www.ipa.ie/pdf/ServiceAgreementsReport_2014.pdf)



Other areas of work undertaken by the research team in 2014 included:

- Work for the Department of Public Expenditure and Reform on international trends in public service reform.
- Delivery of the Certificate and Diploma in Civil Service and State Agency Studies.
- Editorship of the Institute's journal *Administration*, four editions of which are delivered each year. These include a combination of peer-reviewed research articles, comment and opinion pieces frequently written by practising public servants, and book reviews. The editorial advisory committee of the journal, which includes prominent academics with a public management and politics background, meets once a year. A contract has been signed with De Gruyter Open, an academic publisher, to host the journal from Spring 2015. All articles will be available free to access.
- Collaboration with the Irish Regions Office in the production of ten issues of *EU News Bulletin*, and publication of two editions of *Local Authority Times* as part of an information service to local authorities throughout the year.
- Contribution to IPA Education & Training programmes, and acting as thesis supervisors and markers on postgraduate programmes.
- Academic publications in international journals and contributions to international books on public management.
- Consultancy work for the Department of Environment, Community and Local Government in respect of Met Éireann.

**DR RICHARD BOYLE**

Head of Research



**DR RICHARD BOYLE**

Head of Research





# TRAINING & DEVELOPMENT

# TRAINING & DEVELOPMENT

The demand for training and development services within the specialist areas of leadership and management, governance, public sector accounting and finance, auditing, information technology and human resource management continued to develop, with the services being used across the public sector. The Institute worked closely with a number of government departments, agencies and local authorities to deliver a range of customised training programmes, including Grade Development for CO, EO, HEO and AP Grades in the Civil Service; Leadership and Management Development; Financial Management; Risk Management; Administrative Law; and Human Resource Management. On behalf of the Department of Public Expenditure and Reform, the Institute delivered Retirement Planning Training for Civil Servants at all levels, offering seven programmes between May and November, which catered for some 420 participants.

Aimed at senior public servants and designed to develop leadership capacity, the Leadership Challenge Programme attracted a full complement of senior managers from all sectors of the public service, including central and local government, and the semi-state sectors. This programme is delivered in conjunction with Cambridge Leadership Associates, Massachusetts, USA, incorporating senior faculty from the John F. Kennedy School of Government at Harvard University and faculty from the Warwick Business School, University of Warwick, UK.

The Leadership in Local Government Programme attracted a group of high-potential candidates across administrative and technical roles from thirteen different local authorities. The programme is delivered in conjunction with senior faculty from the Warwick Business School and senior practitioners in the local government system. It is focused on delivering public value through adaptive leadership combined with an action-learning approach to participants' leadership challenges.

Institute specialists continued to be involved in providing training, advice, support and consultancy services to a wide range of organisations undergoing change as part of the general reform process, including organisations in central and local government, and semi-state bodies. Performance management training continued to be in demand throughout 2014, with customised training events delivered to managers/reviewers and staff/reviewees in a total of thirteen local authorities. The Local Government Legislative Training Programme continued to be delivered across the local authority sector, as did MS Office Training and the course on Prevention and Management of Aggression and Violence at Work.

As per Local Government (Audit Committee) Regulations, 2014, and Statutory Instrument 244 of 2014, under which there is a statutory requirement to ensure that each member of a local authority's audit committee undertakes an induction training programme within three months of being appointed to the committee, the Institute was delighted to be in a position to offer a half-day's facilitated induction programme for newly appointed audit committee members. This programme provided audit committee members with the foundation knowledge and skills to exercise their roles and responsibilities effectively. Furthermore, the learning focused on how members can use their existing skills and expertise to add value to the work of the audit committee. Over 100 delegates attended the eight training programmes that were delivered between October and December.

The Governance Forum continued to evolve and expand during 2014 in response to the many governance-related issues and challenges faced by members. The calendar of events covered many contemporary issues in governance, including *Economic Governance – What are the Choices?; Meeting the Governance Expectations of Funders – Key Governance Issues for Organisations in Receipt of Funds; Roles and Responsibilities of Board Members; Evaluating the Performance of Boards and Committees; Finance for Board Members; Modern Communications and Reputation Management; Strategy and Regulation in the Public Interest; Risk Management; and Audit Committees.*



Pictured (l-r) at the IPA Governance Forum / CIPFA Good Governance Conference, *Good Governance, Culture and Ethics – Setting the Tone*, were Aidan Horan, Director, Human Resources, IT and Finance Services, and Business Development Services, IPA; Dr Brian Cawley, Director General, IPA; Diarmuid Martin, Archbishop of Dublin (guest speaker); and Paul Turpin, Governance Specialist, IPA.



Diarmuid Martin, Archbishop of Dublin, who spoke on values and leadership at the IPA Governance Forum / CIPFA Good Governance Conference, *Good Governance, Culture and Ethics – Setting the Tone.*

The programme of events included the annual Good Governance Conference, which was held in March and addressed the theme of *Good Governance, Culture and Ethics – Setting the Tone*. Contributors included Diarmuid Martin, Archbishop of Dublin, on values and leadership; Adrian Pulham, Director of the Chartered Institute of Public Finance and Accountancy (CIPFA), on building trust in public services; Peter Tyndall, Ombudsman, on transparency and fairness; Patricia Barker, board member and accountant, on ethics in corporate governance; and Dr Brian Cawley, Director General, IPA, on leadership and governance. Gerry Kearney, former Departmental Secretary General, chaired the panel debate. The Governance Forum team also assisted many organisations with independent reviews of compliance with legal, regulatory and governance obligations, board effectiveness reviews, implementation of risk-management systems, board and board committee evaluation, competency assessments and related services, as well as advice on varied governance issues.

The Institute continued to offer programmes for formal membership of professional bodies, including the Mediators' Institute of Ireland (MII), the Chartered Institute of Personnel and Development (CIPD) and CIPFA. Our established programme on workplace mediation, accredited by the MII, continued to attract strong numbers. The CIPD Foundation Level Certificate in HR Practice began its fifth run at the end of 2014, with the CIPD Foundation Level Diploma continuing to offer a follow-on pathway for those completing the certificate programme. The CIPD Foundation Level Diploma in Learning and Development Practice entered its second year of delivery at the end of 2014 as a follow-on pathway for those completing the CIPD Foundation Level Certificate programme that began in 2013.

The CPD seminar series for public sector accountants and finance professionals, offered in conjunction with the Association of Chartered Certified Accountants (ACCA), the Chartered Institute of Management Accountants (CIMA) and CIPFA, continued to build on the success of previous years with two events in 2014 addressing the topics of *Accounting for Performance in the Public Sector* and *Current Developments in Evaluation & Effectiveness*. The joint IPA and Chartered Institute of Internal Auditors (Ireland branch) Internal Audit Seminars for the Public Sector, launched in 2013, continued to attract large numbers, with over eighty delegates in attendance at the September 2014 event.

In summary, the Institute's training, development and consultancy services continued to evolve during 2014 to support individuals and organisations in the public service in addressing current challenges, and we will continue to provide high-quality, customised services through our dedicated team of specialists.



Pictured (l-r) at the IPA Governance Forum / CIPFA Good Governance Conference, *Good Governance, Culture and Ethics – Setting the Tone*, were Nathy Walsh, Lecturer, IPA; Patricia Barker, guest speaker on ethics and corporate governance; and Paul Turpin, Governance Specialist, IPA.



# INTERNATIONAL SERVICES

# INTERNATIONAL SERVICES

During 2014 International Services continued to play a strategic role in international projects and hosted a number of study programmes, providing senior managers from other countries with an opportunity to update their knowledge of public sector reform and other key areas of public administration in Ireland. In particular, the Institute hosted a delegation from the South African School of Government in Dublin and contributed to the international assessment launched by the school.

International tendering activity for new projects took place throughout the year, with several contract opportunities pursued, involving work for EU assistance programmes in Myanmar and Armenia, as well as capacity-building programmes in Bosnia-Herzegovina and support to sister institutions in Bulgaria and the Western Balkans. A significant programme to support development of the Bulgarian Institute of Public Administration in Sofia was awarded to the Institute, with the first activity taking place in Dublin in December: several Bulgarian training managers were introduced to the basics tenets of the IPA leadership and change management programme, to be followed by three three-day programmes for senior Bulgarian civil servants in 2015.

In addition, the Institute maintained its long-established collaboration with the Regional School of Public Administration (ReSPA) in the region of the Western Balkans, providing guidance, advice, training and expertise in human resource management, including recruitment and selection training. ReSPA is an international institution set up as a joint initiative of the EU and the Western Balkan countries to work towards fostering and strengthening the regional cooperation in public administration, human resource management and civil service reform among its member states. It provides innovative and qualitative training programmes, networking events, mobility schemes, conferences and comparative studies to public administrations from the countries of the Western Balkans, and seeks to ensure that the shared values of respect, tolerance, collaboration and integration are reaffirmed and implemented throughout the public administrations in the region.

The Institute has been the national contact point for the EU's 'Twinning' activities since 1999. Twinning has remained an important pre-accession instrument, which is now available for all candidate and pre-candidate countries. In addition, the Institute continued to act as the national contact point for the Europe for Citizens programme, co-funded by the EU and the Department of Arts, Heritage and the Gaeltacht, providing assistance to all Irish entities, bodies and organisations interested in benefiting from the programme funding.

The Institute continued its participation within the network of Directors of Institutes and Schools of Public Administration (DISPA) and attended the inaugural meeting of the OECD Forum of Schools of Governance and Public Administration.

As requested by the Board, the International Services Unit initiated a global market assessment with visits to China (Hong Kong and mainland), Eastern and Central Europe, and the Middle East region. In line with the IPA's international strategy, this exercise aims to explore the potential of new markets in emerging economies and to strengthen relationships with a number of institutes and schools of public administration.

Committed to providing training, advice and action learning which aligns to the political, cultural and operational context of our international clients, we look forward to capitalising on our wide network of international contacts during the coming year to fulfil our commitment to the promotion and development of effective public administration internationally, and to showcase best practice from the Irish public service.

**TERESA CASSERLY**  
Director, International Services



**TERESA CASSERLY**  
Director, International Services



# LIBRARY & INFORMATION SERVICES

# LIBRARY & INFORMATION SERVICES

The Institute is unique in hosting the only specialist library in the country dedicated to public administration. The Library focuses on providing advice and access to information through books, journals and online resources.

The Library, located in Lansdowne Road, provides a lending, reference and information service to students, staff and members of the Institute. Queries from others are also welcomed by phone or email. Access is provided to books, journals, electronic databases, reports, statistics and official publications in the general area of public management. This service covers a wide range of subjects, including management, economics, sociology, law, criminology, health, finance and local government.

The aim of the Library is to provide the right information and resources in the most appropriate format and in a timely manner to a diverse and geographically dispersed range of clients. Reading rooms are available for study, for consulting and borrowing books, and for accessing electronic resources. Distance education students can avail of the Library service by phone, by email or by accessing electronic databases and thousands of full-text journal articles via the IPA website. Materials not held in the Library may be requested through the inter-library loans service and items can be delivered in hard copy or electronically.

During term the Library is open from 9.15 a.m. until 8.00 p.m., Monday to Thursday, and until 5.15 p.m. on Friday. It also opens on a restricted basis on the majority of Saturdays during term. Full and up-to-date information on opening hours is available on the IPA website.

## **PATRICIA TROTTER**

Librarian



**PATRICIA TROTTER**

Librarian



# PUBLISHING



# PUBLISHING

The work of the Publications Division, as a part of the Whitaker School of Government and Management, links with the wider education and research activities of the Institute, and provides an important knowledge and information base to inform the practice of public administration. The year 2014 saw the launch of two books, together with the forty-ninth edition of the *Administration Yearbook & Diary*, which was launched by the Tánaiste and Minister for Social Protection, Joan Burton, TD. Four issues of the journal *Administration* were also published, and the Publications Division continued to carry out consultancy projects for public sector organisations.

A review of publishing activity conducted by a group of external experts was completed in 2014. This review made a number of recommendations to enhance publishing activity, including with regard to the marketing and promotion of the *Administration Yearbook & Diary* and the use of e-publishing. The findings from the review were accepted and will be implemented over the course of the next couple of years.

## BOOKS

*All Vision but No Change? Determinants of Implementation: The Case of Ireland and Mental Health Policy*, by Helen Johnston, was launched on 23 September by guest of honour Martin Fraser, Secretary General, Department of the Taoiseach. The book examines why policies are often poorly implemented. The author identifies the crucial elements needed to ensure successful policy implementation.

*Renting in Ireland: The Social, Voluntary and Private Sectors*, by Lorcan Sirr, was launched on 30 September by guest of honour Paudie Coffey, TD, Minister of State at the Department of the Environment, Community and Local Government. This book brings together for the first time a range of housing experts and practitioners to discuss and analyse renting's role in Irish society. It comprises sections on the private rented sector, the social rented sector and other relevant issues.

A number of reports were also published on behalf of the Institute's Research Division, including:

- PUBLIC SECTOR TRENDS 2014
- CIVIL SERVICE ACCOUNTABILITY: CHALLENGE AND CHANGE
- PUBLIC SECTOR REFORM IN IRELAND: VIEWS AND EXPERIENCES FROM SENIOR EXECUTIVES
- THE STATE OF POLICY EVALUATION IN IRELAND
- PUBLIC SECTOR REFORM IN IRELAND: VIEWS AND EXPERIENCES FROM LOCAL GOVERNMENT SENIOR EXECUTIVES
- SERVICE LEVEL AGREEMENTS

A full list of IPA publications is available on the IPA website ([www.ipa.ie](http://www.ipa.ie)). Books may be purchased through the click-pay facility on the website.

## PERIODICALS

*Administration Yearbook & Diary 2015* was published in December. The *Yearbook & Diary* continues to be the most widely used database on Irish business life, public and private. Four issues of the Institute's journal, *Administration*, were published throughout the year. These included a review of the public sector in 2013 and a special issue on Ireland's forty years as a member of the EU ([www.ipa.ie/administration](http://www.ipa.ie/administration)).

## PUBLISHING CONSULTANCY

The Publications Division continued to offer its expertise in the production and management of publishing projects on behalf of other public sector organisations. Volume IX of *Documents on Irish Foreign Policy*, covering the years 1948-1951, was produced on behalf of the Royal Irish Academy. The *Irish Probation Journal* was produced on behalf of The Probation Service and the Probation Board for Northern Ireland (North/South publication), and *Irish Agriculture Nationalised: The Dairy Disposal Company and the Making of the Modern Irish Dairy Industry*, by Micheál Ó Fathartaigh, was published with the support of the Golden Jubilee Trust Fund.

### DR RICHARD BOYLE

Head of Publishing



Author Helen Johnston pictured speaking at the launch of *All Vision but No Change? Determinants of Implementation: The Case of Ireland and Mental Health Policy*.



Pictured (l-r) at the launch of *Renting in Ireland: The Social, Voluntary and Private Sectors* were Paudie Coffey, TD, Minister of State at the Department of the Environment, Community and Local Government, and Lorcan Sirr, editor.



# AWARDS & PRIZE WINNERS

# AWARDS & PRIZE WINNERS

A total of 700 students were the recipients of diplomas, bachelor degrees and postgraduate degrees during 2014. The conferring ceremonies took place in Dublin Castle on Friday, 5 December 2014. The prizes awarded were as follows:

Bachelor of Arts (Hons) (Healthcare Management)

**First Place: Yvonne Sheppard**

Bachelor of Arts (Hons) (Human Resource Management)

**First Place: David Sweeney**

Bachelor of Arts (Hons) (IT Management)

**First Place: Mary O'Donohoe**

Bachelor of Arts (Hons) (Law & the Administration of Justice)

**First Place: Brian Ciarán Clancy**

Bachelor of Arts (Hons) (Local Government)

**First Place: Therese Máire Casey**

Bachelor of Arts (Hons) (Management)

**First Place: Ewa Sobanska**

Bachelor of Arts (Hons) (Public Management)

**First Place: Valerie Frizzelle**

Postgraduate Certificate in Financial Management

**First Place: Dearbhala Cassidy**

Master of Arts Programmes

**First Place: Rosarie Teresa Mary Lynch**

Whitaker School of Government & Management Undergraduate Student of the Year 2014

**Ewa Sobanska**

CIMA Prize for best Bachelor of Business Studies (Hons) (Accounting) Student

**Declan O'Halloran**

Bachelor of Business Studies (Hons) (Human Resource Management)

**First Place: Ruth Flynn**

Bachelor of Business Studies (Hons) (Information Systems Management)

**First Place: Deirdre Connolly**

Bachelor of Business Studies (Hons) (Marketing)

**First Place: Iris Tsang**

Master of Arts (Criminal Justice)

**First Place: Liza Young**

Master of Arts (Financial Management)

**First Place: Niamh Fitzgerald**

Master of Arts (Healthcare Management)

**First Place: Catherine Lambe**

Master of Arts (Human Resource Management)

**First Place: Ita Goggin**

Master of Arts (Leadership & Strategy)

**First Place: Marita Gonsalves**

Master of Arts (Local Government Management)

**First Place: Lillian Whelan**



Pictured (l-r) at the 2014 IPA conferring ceremonies in Dublin Castle were Nathy Walsh, IPA Course Coordinator; Dermot Clynes, Organisation Development Manager, Department of Public Expenditure and Reform; Magdalena Przybylo, prize winner, Diploma in Business Studies; Tom Considine, President, IPA; and Dr Brian Cawley, Director General, IPA.



Pictured (l-r) at the 2014 IPA conferring ceremonies in Dublin Castle were Dr Michael Mulreany, Head of Education, IPA; Tom Considine, President, IPA; Jane Dollard, prize winner, MA (Public Management); Dr Frank Murray, Chairman, IPA Education Committee; and Dr Brian Cawley, Director General, IPA.

Master of Arts (Public Management)

**First Place: Jane Dollard**

Master of Economic Science in Policy Analysis

**Joint First Place: Stephen Brophy, Alan Quirke**

Postgraduate Diploma in Policy Analysis

**First Place: Claire Hayes-Curtin**

Master of Science in Business & Management (Financial Management)

**Joint First Place: Barry Magee, Wendy Thompson**

Master of Science in Business & Management (Human Resource Management)

**First Place: Geraldine Colgan**

Whitaker School of Government & Management Postgraduate Students of the Year 2014

**Stephen Brophy, Alan Quirke**

Professional Diploma in Housing Studies

**First Place: Russell Chapman**

Professional Diploma in Official Statistics for Policy Evaluation

**First Place: Aileen Healy**

Professional Certificate in Governance

**First Place: Tony McAleer**

Diploma in Civil Service & State Agency Studies

**First Place: Barry Cullen**

Diploma in Health Economics

**First Place: Orlaith Brennan**

Diploma in Health Services Policy

**First Place: Amy McGealy**

Diploma in Healthcare Management

**First Place: Deirdre Mueller Neff**

Diploma in Human Resource Management

**First Place: Leonora Mullett**

Diploma in Law

**First Place: John Martin**

Diploma in Local Government Studies

**First Place: Paul Clarke**

Diploma in Management

**First Place: Marsha Williams**

Diploma in Project Management

**First Place: Orla Fitzpatrick**

Diploma in Public Management

**First Place: Gráinne Duffy**

Diploma in Business Studies

**First Place: Magdalena Przybylo**

Diploma in Computer Studies

**First Place: Carmel Tobin**



Pictured (l-r) at the 2014 IPA conferring ceremonies in Dublin Castle were Dr Denis O'Brien, Assistant Registrar, IPA; Jennifer Banim, Assistant Director General, CSO; Helen Dixon and Aileen Healy, Professional Diploma in Official Statistics for Policy Evaluation; Dr Christopher Sibley, CSO; Tom Considine, President, IPA; and Dr Brian Cawley, Director General, IPA.



Pictured (l-r) at the 2014 IPA conferring ceremonies in Dublin Castle were Dr Michael Mulreany, Head of Education, IPA; Niamh O'Donoghue, Secretary General, Department of Social Protection; Dr Attracta Halpin, Registrar, National University of Ireland; Dr Maurice Manning, Chancellor, National University of Ireland; Ewa Sobanska, prize winner, BA (Hons) (Management); Robert Watt, Secretary General, Department of Public Expenditure and Reform; and Dr Brian Cawley, Director General, IPA.



# OUTREACH

# OUTREACH

As noted in previous annual reports, the Institute is the body dedicated to developing the profession of public service. Consequently, the expertise of its staff is constantly called upon in ways other than through the direct provision of services. From time to time, they also act in positions of leadership in the professional bodies to which they are attached. The Director General is a member of the European network of heads of schools and institutes of public administration in the EU.

Five staff members are non-executive members of the audit committees of a number of government departments, local authorities and state-sponsored bodies; in three cases, acting as chair and vice-chair of the committees. Several staff members play prominent officer roles in the Chartered Institute of Public Finance and Accountancy and the Chartered Institute of Management Accountants. Several staff members also act as secretaries to external committees, such as the committee for the heads of administration in state agencies, or serve on the board of bodies such as the Retirement Planning Council of Ireland.

The Institute facilitates a number of informal networks in order to disseminate best practice and sharing of information, experience and expertise. For example, the Institute supports a network of chief executives of state bodies, a network of heads of administration in state agencies and a forum for chairpersons of various public sector groupings.

During 2014 the Institute hosted a number of morning seminars to promote dialogue and debate amongst senior civil and public servants on key topics. Three issues of the Institute's electronic newsletter, *ezine*, were also produced during the year.

A joint Office of the Ombudsman and IPA National Conference, entitled *Held to Account: Responsibility and Accountability in the Public Service*, took place in the IPA on 7 November. The conference heard presentations from a number of speakers: Peter Tyndall, Ombudsman and Information Commissioner; Dame Beverley A. Wakem, Chief Ombudsman, New Zealand; Jane Tinkler, LSE Public Policy Group, London School of Economics and Political Science; Baroness Nuala O'Loan, first Police Ombudsman for Northern Ireland; and Kevin Rafter, Dublin City University.



# INSTITUTE GOVERNANCE & ADMINISTRATION

# INSTITUTE GOVERNANCE & ADMINISTRATION

The IPA, which is a company limited by guarantee, was incorporated in 1963. It operates under the aegis of the Department of Public Expenditure and Reform, is a not-for-profit organisation with registered charity status and is subject to statutory audit by the Comptroller and Auditor General. It is also designated a non-commercial state agency.

It is governed by a Board – under the current chairmanship of Niamh O'Donoghue (Secretary General of the Department of Social Protection) – comprising elected/nominated representatives of various public administration sectors, Institute management and staff, the academic world and trade union personnel, together with a student representative. The Board operates through its scheduled monthly meetings and three standing Board subcommittees, namely the Finance and Strategy Committee, which deals with strategic financial management issues, including capital works; the Administration Committee, which monitors day-to-day operating performance, human resource issues, etc., and meets only as needed; and the Audit Committee, which deals with audit, risk assessment and governance matters. In addition, there is an Education Committee, which advises on and monitors educational operational issues including qualifications and courses, and a Book Publishing Committee, which advises on publications strategy.

The Institute President presides at the annual general meeting (AGM) and has the support of a number of vice-presidents. The Institute's President for 2014 was Mr Tom Considine, a retired Secretary General of the Department of Finance. The 51st AGM of the Institute took place on 2 July 2014. The names of the honorary officers, Board members and Board subcommittee members are contained on the inside front cover of this annual report.

## REPORT OF THE CHAIRMAN OF THE AUDIT COMMITTEE

### Raymond Dolan reports:

The committee met four times during 2014. It carried out its role of supporting the Board in meeting its corporate governance responsibilities. Activities during the year included reviewing the annual Financial Statements, internal financial controls and the corporate risk register; monitoring compliance with the State Governance Code and approving an updated corporate governance manual; overseeing the internal auditor's programme; and ensuring compliance with all other relevant obligations. It also met with the representative of the Institute's auditors – the Comptroller and Auditor General.

## REPORT OF THE CHAIRMAN OF THE FINANCE AND STRATEGY COMMITTEE

### Niamh O'Donoghue reports:

The committee met on three occasions during the year. With the Institute's financial position continuing to stabilise following the challenging economic trading downturn, the committee began to turn its attention to the strategic development of the business. The committee reviewed regular updates on the IPA's 2014 annual business plans and progress generally on the implementation of the 2011-2015 corporate strategic plan. The committee also approved the 2014 budget and, on behalf of the Board, reviewed the quarterly management accounts and financial forecasts.

The committee also advised the Board on a number of key strategic issues that arose during the year, including matters relating to the IPA's status for public procurement purposes (the 'Teckal Exemption' status), and the consolidation and development of the Lansdowne Road campus.

## REPORT OF THE CHAIRMAN OF THE ADMINISTRATION COMMITTEE

### Niamh O'Donoghue reports:

As this committee only meets on an as-needed basis, there was one meeting of the committee in 2014, which discussed a number of staff-related matters.



**DR CYRIL SULLIVAN**

Director of Finance and Support Services,  
and Company Secretary



**CHRISTINE MCNALLY**

Human Resource Manager



## MEMBERSHIP

The Institute is the professional body for public servants. It caters for those in the civil service, local authorities, health service, state-sponsored bodies, education sector, Garda Síochána and the defence forces. Members are kept abreast of current public management issues through access to special briefings, an e-newsletter and the journal *Administration*, and enjoy discounts on publications and other services. Members are consulted on current public management issues and future IPA service provision, and thereby contribute to the professional development of the Institute. There are currently 69 corporate members of the Institute and 1,800 individual members, incorporating both students and interested members of the general public.

### BOARD ATTENDANCE 2014 – 6 MEETINGS HELD

NAME	NUMBER OF MEETINGS ATTENDED	NOTES
Elizabeth Adams	3	Appointed June 2014
Mark Callanan	3	Appointed June 2014
Brian Cawley	6	
Donal Connell	3	Retired June 2014
Raymond Dolan	2	
Breeda Doyle	3	Retired June 2014
David Feeney	5	
Jim Fleming	3	Retired July 2014
Owen Keegan	2	Appointed June 2014
Connie Kelleher	2	
Paul Lemass	2	Appointed October 2014
Michael Malone	0	Retired May 2014
John McCarthy	3	Retired May 2014
Brian Nolan	2	Retired June 2014
Peter Nolan	2	Retired June 2014
Niamh O'Donoghue	5	
Martin O'Halloran	5	
Siobhan O'Halloran	1	Appointed June 2014
Caroline O'Regan	2	Appointed October 2014
Colin Scott	2	Appointed June 2014
Julie Sinnamon	1	Appointed June 2014
Frances Spillane	1	Retired June 2014

**ADMINISTRATION COMMITTEE ATTENDANCE 2014 – 1 MEETING HELD**

NAME	NUMBER OF MEETINGS ATTENDED	NOTES
Elizabeth Adams	1	Appointed June 2014
David Feeney	0	
Niamh O'Donoghue	1	
Martin O'Halloran	1	Appointed June 2014
Caroline O'Regan	1	Appointed October 2014

**AUDIT COMMITTEE ATTENDANCE 2014 – 4 MEETINGS HELD**

NAME	NUMBER OF MEETINGS ATTENDED	NOTES
Elizabeth Adams	1	Appointed June 2014
Raymond Dolan	3	
Jim Fleming	2	Retired July 2014
Connie Kelleher	2	
Brian Nolan	0	Retired June 2014
Siobhan O'Halloran	1	Appointed June 2014
Colin Scott	2	Appointed June 2014
Frances Spillane	0	Retired June 2014

## FINANCE &amp; STRATEGY COMMITTEE ATTENDANCE 2014 – 3 MEETINGS HELD

NAME	NUMBER OF MEETINGS ATTENDED	NOTES
Mark Callanan	2	Appointed June 2014
Brian Cawley	3	
Donal Connell	1	Retired June 2014
Breda Doyle	1	Retired June 2014
David Feeney	2	
Owen Keegan	2	Appointed June 2014
Paul Lemass	2	Appointed October 2014
Michael Malone	0	Retired May 2014
John McCarthy	1	Retired May 2014
Niamh O'Donoghue	3	
Julie Sinnamon	1	Appointed June 2014

## HUMAN RESOURCES MANAGEMENT

The year 2014 was one of further consolidation following the reduction in numbers, restructuring and redeployment of staff that had been implemented in previous years.

Work was completed on a new Workforce Plan and agreed by the Board. The plan considers the medium-term staffing requirements for the Institute and the specialist expertise required to help meet the new demands and challenges facing our clients in the public sector. There were a number of staff changes in 2014. One staff member retired and one returned from a career break. Four staff left the Institute and, for the first time since 2010, a small number of new staff were recruited. Work commenced on two new projects – the limited recruitment of postgraduate interns to support specialist strategic projects, and the restructuring of the administration functions in the Whitaker School of Government and Management and the Training Division.

Work continued on updating the Institute's HR policies to reflect the ongoing changes in public sector policies and adherence to best practice.

There was a renewed demand for training and development. A number of staff attended an IPA Certificate in Professional Administration – an in-house training programme designed specifically to meet the needs of our administrative support staff. A total of ten staff attended Irish language classes, and staff were encouraged and supported to attend other relevant seminars, conferences and third-level courses.

Three staff newsletters were produced, and monthly staff meetings continued to provide a forum for updates and discussion on internal and external topics.



# FINANCIAL PERFORMANCE

# FINANCIAL PERFORMANCE

The Financial Statements that follow set out in detail the financial operation of the Institute for the year. There was an easing of the trading difficulties recently experienced by the Institute, resulting in a further stabilising of its finances during 2014. Compared with 2013, operating income improved slightly at €10.9m from €10.6m, an increase of nearly 3%. Its operating surplus was better than expected at €419,676, up from €299,217 in 2013. The main reason for this level of surplus related to increased revenues, with all categories' costs holding with either no increase or with modest increases.

The Institute's earnings were made up of training and international services (27%), education-fee income (39%), research income (3%), publications and membership income (5%), release of capital grants (2%) and a grant-in-aid (24%) paid by the Department of Public Expenditure and Reform. Overall, the small year-on-year increase in income is directly related to increases in levels of activity in the ongoing uncertain trading environment, particularly in the area of postgraduate enrolments. The IPA's cost structure, on the other hand, was primarily governed by direct and indirect costs, salary costs and debt-servicing costs.

While the Institute has very successfully reduced its non-pay costs since 2008, and implemented a successful pay cost reduction programme in 2012 and 2013, as mentioned above, there was a relative containment of the IPA's cost base during the year. The 12% increase in salaries (from €4.5m to €5.0m) is mainly due to the change in treatment of fee payments for the IPA's associate staff. The IPA now pays these staff through its payroll system rather than through accounts payable. This change had a related impact on the Institute's direct costs in that they decreased from €2.7m to €2.4m. With the transfer of its privately managed pension fund to the National Pension Reserve Fund (NPRF) in 2010, the annual pension contribution is treated as a 'contribution to the Exchequer' in the Financial Statements, and this decreased in 2014 to €1.44m. The level of employer pension contribution continues as before (at 34.6% of salaries) following the fund transfer to the NPRF.

The financing costs for the long-term loan facility used in the purchase of No. 55, Lansdowne Road (acquired in mid 2006), are based on European Central Bank inter-bank interest rates, which continued at a very low base during 2014. This resulted in a full-year interest charge of €30,556, down from €31,763 in 2013. No major capital works were completed in 2014.

In overall financial management terms, given the ongoing straitened trading conditions, the Institute continued to stabilise its finances during 2014 with a solid operating surplus achieved. In addition, the IPA's Balance Sheet reserves remain good at over €13.5m (reflecting pre-2005 values).

## INTERNAL SYSTEMS ENHANCEMENTS

In line with the Institute's information systems strategy, there were further developments in the internal IT hardware and software infrastructure. The quality of the IPA's Financial Management System (FMS) continues as a key support in providing timely and accurate forecasts to management and the Board. There were updates to key elements of the IPA's system infrastructures during 2014, including further upgrades of the Institute's network storage and back-up systems. As a member of the Higher Education Authority's IT Support Service (HEAnet), the IPA engaged HEAnet during the year to help further develop its business continuity facilities. Extensive development work was also completed on the IPA's student record system (which is scheduled to go live in mid 2015). A number of other projects are also underway in the areas of digital learning and online web-service delivery. In addition, the Director of Finance and Support Services hosted a number of financial awareness sessions for all staff to ensure a continued focus across the IPA on good-quality financial controls and effective management information reporting.

### FINANCIAL PROSPECTS FOR 2015

As stated above, there was a stabilisation of the IPA's finances during 2014, and this is expected to continue into 2015. As of early 2015, the IPA has budgeted for 2015 turnover to remain stable at €10.2m with an operating surplus of the order of €120,000. The IPA continues to look for new opportunities to sustain its income base and to consolidate both its pay and non-pay cost structures.

### COMPLIANCE

The Institute complied with its financial, taxation and regulatory obligations during 2014, and continued to review and update its corporate governance structures. As mentioned above, during 2014 the Institute sought and received sanction from the Revenue Commissioners to change its payment arrangements for its associate staff. This change is explained further in the notes to the Financial Statements (Note 6c).



# FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2014

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# DIRECTORS & OTHER INFORMATION

## DIRECTORS

N. O'Donoghue (Chair)  
 B. Cawley (Director General)  
 E. Adams (Appointed June 2014)  
 M. Callanan (Appointed June 2014)  
 D. Connell (Retired June 2014)  
 R. Dolan  
 B. Doyle (Retired June 2014)  
 D. Feeney  
 J. Fleming (Retired July 2014)  
 O. Keegan (Appointed June 2014)  
 C. Kelleher  
 P. Lemass (Appointed October 2014)  
 M. Malone (Retired May 2014)  
 J. McCarthy (Retired May 2014)  
 B. Nolan (Retired June 2014)  
 P. Nolan (Retired June 2014)  
 M. O'Halloran  
 S. O'Halloran (Appointed June 2014)  
 C. O'Regan (Appointed October 2014)  
 C. Scott (Appointed June 2014)  
 J. Sinnamon (Appointed June 2014)  
 F. Spillane (Retired June 2014)

## AUDITORS

The Comptroller and Auditor General  
 Dublin Castle  
 Dublin 2

## SOLICITORS

O'Donnell Sweeney Eversheds Solicitors  
 Earlsfort Terrace  
 Dublin 2

## SECRETARY AND REGISTERED OFFICE

Cyril Sullivan  
 59 Lansdowne Road  
 Dublin 4

## PRINCIPAL BANKERS

Allied Irish Bank  
 Bank Centre  
 Ballsbridge  
 Dublin 4

# REPORT OF THE DIRECTORS IN RESPECT OF THE YEAR ENDED 31 DECEMBER 2014

## STATEMENT OF DIRECTORS' RESPONSIBILITIES

1. Company law requires the directors to prepare Financial Statements for each financial year which give a true and fair view of the state of affairs of the company and of the surplus of the company for that period. In preparing those Financial Statements, the directors are required to:
  - Select suitable accounting policies and then apply them consistently;
  - Make judgements and estimates that are reasonable and prudent;
  - State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the Financial Statements;
  - Prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the Financial Statements comply with the Companies Acts 1963 to 2013. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## PRINCIPAL ACTIVITIES

2. The Institute is engaged in activities aimed at promoting the study of and improving the standard of public administration, developing a sense of vocation in public servants and fostering mutual understanding between the public and public servants.

## REVIEW OF BUSINESS AND FUTURE DEVELOPMENTS

3. Both the level of business and the year-end financial position were satisfactory and the directors expect that the present level of activity will be at least sustained for the foreseeable future.

## RESULTS

4. The income and expenditure account for the year and the appropriation thereof are set out on page 47.

## HEALTH AND SAFETY

5. The Board has developed the necessary safety statement required by the Safety, Health and Welfare at Work Act, 2005.

## CORPORATE GOVERNANCE

6. In accordance with good corporate governance, the Board has established an effective committee structure to assist in the discharge of its responsibilities. Each committee has formal terms of reference approved by the Board, and each committee periodically reports to the Board on its activities. The committees in operation at 31 December 2014 were the Administration Committee, the Audit Committee, and the Finance and Strategy Committee. On behalf of the Board, management carry out an annual review of business operational risks.

## RESEARCH AND DEVELOPMENT

7. The company is not involved in any research and development on its own behalf.

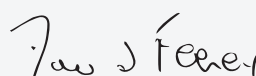
## PROPER BOOKS OF ACCOUNT

8. In order to ensure that proper books of account are kept in accordance with Section 202 of the Companies Act, 1990, appropriately qualified personnel are employed and appropriate resources are made available to the company's finance function. The books of account are located at the company's registered office at 59 Lansdowne Road, Dublin 4.


## AUDITORS

9. In accordance with Section 5 of the Comptroller and Auditor General (Amendment) Act, 1993, the Comptroller and Auditor General is responsible for the audit of the company's accounts.

On behalf of the Board,



DAVID FEENEY



MARK CALLANAN

## DIRECTORS

12 May 2015, Dublin

# COMPTROLLER AND AUDITOR GENERAL REPORT FOR PRESENTATION TO THE HOUSES OF THE OIREACHTAS

## INSTITUTE OF PUBLIC ADMINISTRATION

I have audited the Financial Statements of the Institute of Public Administration for the year ended 31 December 2014 under the Comptroller and Auditor General (Amendment) Act, 1993. The Financial Statements, which have been prepared under the accounting policies set out therein, comprise the Statement of Accounting Policies, the Statement of Income and Expenditure, the Statement of Total Recognised Gains and Losses, the Balance Sheet, the Cash Flow Statement and the related notes. The Financial Statements have been prepared in the form prescribed under the Companies Acts, 1963 to 2013, and in accordance with Generally Accepted Accounting Practice in Ireland.

## RESPONSIBILITIES OF THE DIRECTORS

The directors are responsible for the preparation of the Financial Statements, for ensuring that they give a true and fair view of the state of the company's affairs and of its surplus or deficit, and for ensuring the regularity of transactions.

## RESPONSIBILITIES OF THE COMPTROLLER AND AUDITOR GENERAL

My responsibility is to audit the Financial Statements and report on them in accordance with applicable law.

My audit is conducted by reference to the special considerations which attach to state bodies in relation to their management and operation.

My audit is carried out in accordance with the International Standards on Auditing (UK and Ireland) and in compliance with the Auditing Practices Board's Ethical Standards for Auditors.

## SCOPE OF AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the Financial Statements, sufficient to give reasonable assurance that the Financial Statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- Whether the accounting policies are appropriate to the company's circumstances, and have been consistently applied and adequately disclosed;
- The reasonableness of significant accounting estimates made by the directors in the preparation of the Financial Statements; and
- The overall presentation of the Financial Statements.

I also seek to obtain evidence about the regularity of financial transactions in the course of audit.

In addition, I read the company's Annual Report to identify material inconsistencies with the audited Financial Statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by me in the course of performing the audit. If I become aware of any apparent material misstatements or inconsistencies, I consider the implications for my report.

## OPINION ON THE FINANCIAL STATEMENTS

In my opinion, the Financial Statements:

- Give a true and fair view, in accordance with Generally Accepted Accounting Practice in Ireland, of the state of the company's affairs at 31 December 2014 and of its surplus for 2014; and
- Have been properly prepared in accordance with the Companies Acts, 1963 to 2013.

## MATTERS ON WHICH I AM REQUIRED TO REPORT BY THE COMPANIES ACTS, 1963 TO 2013

I have obtained all the information and explanations that I consider necessary for the purpose of my audit. In my opinion, proper books of account have been kept by the company. The Financial Statements are in agreement with the books of account.

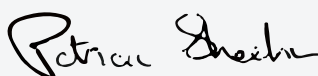
In my opinion, the information given in the Directors' Report is consistent with the Financial Statements.

## MATTERS ON WHICH I REPORT BY EXCEPTION

I report by exception if:

- My audit noted any material instance where moneys have not been applied for the purposes intended or where the transactions did not conform to the authorities governing them; or
- The information given in the Annual Report for the year ended 31 December 2014 is not consistent with the Financial Statements; or
- The Statement on Internal Financial Control does not reflect the company's compliance with the Code of Practice for the Governance of State Bodies; or
- The statutory disclosures of directors' remuneration and of transactions with directors are not made; or
- I find there are other material matters relating to the manner in which public business has been conducted.

I have nothing to report in regard to those matters upon which reporting is by exception.



PATRICIA SHEEHAN

FOR AND ON BEHALF OF THE  
COMPTROLLER AND AUDITOR GENERAL

13 May 2015

## STATEMENT ON INTERNAL FINANCIAL CONTROL

The Board acknowledges its responsibility for the Institute of Public Administration's system of financial control. It also recognises that any system of financial control can only give a reasonable and not absolute assurance against any material errors. The internal financial controls in operation within the Institute during 2014 are outlined in the following.

The key procedures, which have been put in place by the Board, designed to provide effective financial control are:

### (A) CONTROL ENVIRONMENT

The Board has taken steps to ensure an appropriate control environment is in place by:

- Establishing formal procedures through various committee functions to monitor the activities and safeguard the assets of the organisation;
- Clearly defining and documenting management responsibilities and powers;
- Developing a strong culture of accountability across all levels of the organisation.

All staff members have been supplied with financial control procedures, including procurement, and debtor and creditor procedures.

Expenditure limits are applied rigorously to all levels of management. These limits were reviewed during 2013. This control is monitored by the Institute's Finance Office by way of both manual and electronic automated checks.

There is consistent separation of function for coding and authorisation operated across the Institute's business units and monitored centrally by the Finance Office.

The procurement function for overhead expenditure operates on the basis of standards agreed with the Director of Finance and Support Services and approved by the Director General and the Board.

### (B) IDENTIFICATION OF BUSINESS RISKS AND FINANCIAL IMPLICATIONS

In line with the IPA's annual processes, a business risk review was carried out during the year, involving the senior management group, highlighting the significant risks to the IPA's business with related necessary mitigating actions. The business risks identified in the review are being addressed, in the first instance, through the implementation of the Institute's corporate plan (corporate-level risk register), and then through the business planning process. For 2014, the Board reviewed the IPA's business plans on a half-yearly basis and its risk management activities at each of its meetings. For 2014, each business division will again be embedding their risk-mitigation activities in their annual business plans.

### (C) INFORMATION SYSTEMS

The Institute's information systems include an integrated financial and management accounting package, 'Integra'. There are integrated electronic financial control modules for income, expenditure, debtors, creditors, purchase ordering, payroll, staff travel and subsistence, and fixed assets on the system. Most of the information-processing controls are automated within the electronic systems; the controls include proper authorisation, segregation of duties, and scanning of original documentation and records. There is a full suite of control procedures governing the Institute's information processing.

In addition, there are a number of business support systems integrated into the Financial Management System (FMS). The IPA's Publication Division operates a Sales Order Processing (SOP) module, catering for the sales ordering, invoicing and stock control. The Training Division uses an integrated Training Administration and Management System (TAMS) to manage the client booking and invoicing process. For our Education programmes, an integrated Student Information and Administration System (SIAS) manages student registration and fee collection.

#### (D) PROCEDURES FOR MONITORING EFFECTIVENESS OF FINANCIAL CONTROL SYSTEM

Monthly management accounts are prepared comparing budgeted income and expenditure with that actually incurred. The senior management group reviews these accounts, involving a detailed examination of the underlying transactions and activities to ensure completeness and accuracy. These accounts are put before the Board and its Finance and Strategy Committee on a quarterly basis.

The annual budgetary process is extensive whereby each unit produces a detailed income and direct expenditure budget, which is reviewed and approved by the Board. Detailed capital expenditure budgets are also prepared. In addition, the Institute operates a three-year rolling system of multi-annual budgeting.

The Institute has an internal audit function that is currently outsourced. A detailed audit programme is prepared annually and approved by the Board through its Audit Committee. The internal audit plan is reviewed on an ongoing basis. The Board Audit Committee reviews the audit reports prepared, including the implementation of recommendations.

The Institute's Finance Office monitors income and expenditure transactions to ensure compliance by each of the business units for accuracy, validity and appropriateness.

#### (E) ANNUAL REVIEW

An annual review of the Institute's internal financial controls in operation during 2014 was carried out. The Institute's Board reviewed the effectiveness of the internal financial control systems at its meeting on 12 February 2015.

On behalf of the Board,



**NIAMH O'DONOGHUE**  
Chair



**BRIAN CAWLEY**  
Director General

12 May 2015, Dublin

## STATEMENT OF ACCOUNTING POLICIES

The Financial Statements are prepared in accordance with the historical cost convention as modified by the revaluation of land and buildings.

### (A) INCOME

Income is included on a receivable basis with the exception of subscriptions, which are taken into income when received. Course fees which are accounted for under fee income are taken into income during the period of the course.

### (B) FIXED ASSETS AND DEPRECIATION

Fixed assets, including buildings, are stated at their historical cost or valuation less accumulated depreciation. Depreciation is provided on the basis and rates stated below, which are estimated to reduce the assets to realisable values by the end of their expected working lives:

Freehold Buildings	2%	Straight Line
Leasehold Premises	2%	Straight Line
Furniture and Fittings	5%	Straight Line
Equipment	10%	Straight Line
Library Books	20%	Reducing Balance
Office Machines	25%	Straight Line
Leased Assets	33.3%	Straight Line
Prefabricated Buildings	33.3%	Straight Line

Depreciation commences in the year in which the asset is brought into use. Land is not depreciated. The Institute has not adopted a policy of revaluation; however, certain assets were revalued before the adoption of Financial Reporting Standard 15 'Tangible Fixed Assets'. In accordance with the provisions of the standard, the Institute has retained these valuations as set out in Note 9.

### (C) STOCKS

Stocks have been valued consistently with prior years, at the lower of cost and net realisable value. Provision is made, where necessary, for obsolete and slow-moving stock.

### (D) DEBTORS

Known bad debts are written off and specific provision is made for any amounts the collection of which is considered doubtful.

### (E) CAPITAL GRANTS

Capital grants relating to fixed assets are treated as deferred credits and are amortised in the Statement of Income and Expenditure over the expected useful life of the assets.

### (F) LEASED ASSETS

Assets held under finance leases are capitalised and included with similar owned assets in the Balance Sheet. Obligations under finance leases are included with liabilities, analysed between current liabilities and long-term liabilities. Payments made under operating leases are charged to the Statement of Income and Expenditure.

### (G) PENSION COSTS

A defined-benefit pension scheme is in place for all employees of the Institute of Public Administration, as appropriate. Under the provisions of the Financial Measures (Miscellaneous Provisions) Act, 2009, the Institute's pension fund assets, which were measured at fair value, transferred to the National Pension Reserve Fund (NPRF) on 30 June 2010. The pension scheme continues in force for existing members with no impact on benefits or associated provision for members.

Pension scheme liabilities are measured on an actuarial basis using the projected unit method and represent the present value of future pension payments earned by staff to date. In line with the pension funding arrangements, an asset equal in amount to this liability is recognised and represents the amounts to be reimbursed in future periods by way of Oireachtas grant.

The pension charge in the Income and Expenditure Account comprises the Institute's contribution payable to the Department of Public Expenditure and Reform from the date of transfer in line with the funding arrangements.

## FINANCIAL STATEMENTS

## STATEMENT OF INCOME AND EXPENDITURE FOR THE YEAR ENDED 31 DECEMBER 2014

INCOME	Note	2014 €	2013 €
Fee Income	1	7,469,737	7,205,970
Sale of Publications	2	376,723	349,216
Subscriptions		260,065	281,793
Vote 11 – Office of the Minister for Public Expenditure and Reform, Grant-in-Aid	3	2,654,000	2,654,000
Amortisation of Capital Grant	13	149,823	149,823
		<b>10,910,348</b>	<b>10,640,802</b>

LESS:  
OPERATING EXPENDITURE

Direct Costs	5	2,440,948	2,726,997
Salary Costs	6	5,047,970	4,519,932
Administration Expenses	7	1,530,023	1,360,344
Interest Payable and Similar Charges		30,556	31,763
		<b>9,049,497</b>	<b>8,639,036</b>
<b>Operating Surplus for the Year</b>		<b>1,860,851</b>	<b>2,001,766</b>
<b>Less Contribution to Exchequer in Respect of Pensions</b>	<b>15c</b>	<b>(1,441,175)</b>	<b>(1,702,549)</b>
<b>Surplus after Exchequer Contribution</b>		<b>419,676</b>	<b>299,217</b>

## STATEMENT OF MOVEMENTS IN ACCUMULATED SURPLUS

Accumulated Surplus at 1 January 2014		520,555	221,338
Surplus for the Year		419,676	299,217
<b>ACCUMULATED SURPLUS AT 31 DECEMBER 2014</b>		<b>940,231</b>	<b>520,555</b>

The surplus for the year ended 31 December 2014 relates to continuing activities.

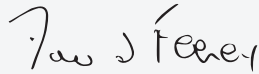
**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**

	2014 €	2013 €
Surplus for the Year	419,676	299,217
<b>Total Recognised Gains in the Year</b>	<b>419,676</b>	<b>299,217</b>

The accounting policies on page 46 and notes on pages 52 to 60 form part of these Financial Statements.



MARK CALLANAN  
Member of the Board



DAVID FEENEY  
Member of the Board



## FINANCIAL STATEMENTS

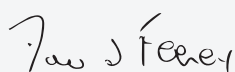
## BALANCE SHEET AS AT 31 DECEMBER 2014

FIXED ASSETS	Note	€	2014 €	€	2013 €
Tangible Assets	9		15,850,253		16,235,336
<b>CURRENT ASSETS</b>					
Stocks	8	111,772		122,263	
Debtors	10	1,388,682		1,516,232	
Cash at Bank and in Hand		1,993,107		1,467,714	
		<b>3,493,561</b>		<b>3,106,209</b>	
<b>CREDITORS</b>					
Amounts Falling Due within One Year	11	2,691,781		2,701,508	
Net Current Assets/(Liabilities)			801,780		404,701
Total Assets Less Current Liabilities			16,652,033		16,640,037
20-Year Mortgage Facility	11		(3,137,117)		(3,394,974)
Total Assets Less Liabilities			13,514,916		13,245,063
Long-Term Pension Liability	15(a)		(58,152,000)		(52,883,000)
Deferred Pension Asset	15(a)		58,152,000		52,883,000
<b>Net Assets</b>			<b>13,514,916</b>		<b>13,245,063</b>
<b>CAPITAL AND RESERVES</b>					
Reserves	14		11,761,548		11,761,548
Accumulated Surplus on Income & Expenditure Account	14		940,231		520,555
Capital Grants	13		813,137		962,960
			<b>13,514,916</b>		<b>13,245,063</b>

The accounting policies on page 46 and notes on pages 52 to 60 form part of these Financial Statements.



MARK CALLANAN  
Member of the Board



DAVID FEENEY  
Member of the Board

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2014**

RECONCILIATION OF OPERATING SURPLUS TO NET CASH INFLOW FROM OPERATING ACTIVITIES	€	2014 €	€	2013 €
Operating Surplus After Exchequer Contribution		419,676		299,217
Net Interest	30,556		31,763	
Depreciation	579,027		549,009	
Amortisation of Grants	(149,823)		(149,823)	
Decrease in Stock	10,491		31,237	
Decrease/(Increase) in Debtors	127,550		(138,120)	
Decrease in Creditors	(9,727)		(4,771)	
	588,074		319,295	
<b>Net Cash Inflow from Operating Activities</b>		<b>1,007,750</b>		<b>618,512</b>

**CASH FLOW STATEMENT**

Net Cash Inflow from Operating Activities		1,007,750		618,512
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## RETURN ON INVESTMENTS AND SERVICING OF FINANCE

Interest Paid		(30,556)		(31,763)
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## CASH FLOWS FROM INVESTING ACTIVITIES

Payments to Acquire Tangible Fixed Assets		(193,944)		(148,855)
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## CASH FLOWS FROM FINANCING ACTIVITIES

Decrease in 20-Year Mortgage Facility		(257,857)		(255,734)
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<b>Increase in Cash in Year</b>		<b>525,393</b>		<b>182,160</b>
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**CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2014 (continued)**

RECONCILIATION OF NET CASH TO MOVEMENT IN NET DEBT		2014	2013
		€	€
Increase in Cash		525,393	182,160
Decrease 20-Year Mortgage Facility		257,857	255,734
Movement in Net Debt in Year		783,250	437,894
Net Debt at 1 January		(1,927,260)	(2,365,154)
<b>Net Debt at 31 December</b>		<b>(1,144,010)</b>	<b>(1,927,260)</b>

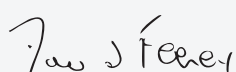
## ANALYSIS IN CHANGES IN NET FUNDS/(DEBT)

	At 31 December 2013	Cash Flows	At 31 December 2014
Cash in Hand/at Bank	1,467,714	525,393	1,993,107
20-Year Mortgage Facility	(3,394,974)	257,857	(3,137,117)
<b>Total</b>	<b>(1,927,260)</b>	<b>783,250</b>	<b>(1,144,010)</b>

The accounting policies on page 46 and notes on pages 52 to 60 form part of these Financial Statements.



MARK CALLANAN  
Member of the Board



DAVID FEENEY  
Member of the Board

## FINANCIAL STATEMENTS

## NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2014

1. FEE INCOME	2014 €	2013 €
Training	2,899,519	2,974,570
Education	4,280,968	3,959,600
Research	289,250	271,800
	<b>7,469,737</b>	<b>7,205,970</b>

## 2. SALE OF PUBLICATIONS

Income from IPA Publications	376,723	349,216
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## 3. GRANT-IN-AID

An amount of €2,750,000 was received from the Department of Public Expenditure and Reform, of which €96,000 was accounted for in subscriptions and €2,654,000 is in grant-in-aid. The grant is provided by the Department of Public Expenditure and Reform towards liabilities under general non-pay expenses and is drawn down by the Institute on an annual basis.

## 4. OPERATING SURPLUS

The operating surplus is stated after charging or crediting.

	2014 €	2013 €
<b>(A) DIRECTORS' EMOLUMENTS:</b>		
The members of the IPA Board do not receive fees. While Board members do not travel on official business as members of the Institute, they are entitled to claim travel and subsistence for their attendance at Board and subcommittee meetings. For 2014, only one member (R. Dolan) claimed travel and subsistence in the amount of €608.		
<b>(B) Remuneration of the Director General (including salary (€175,407), employer's PRSI (€17,110) and contribution towards pension (€63,848)). The Director General's pension entitlements do not extend beyond the standard entitlements in the public sector superannuation scheme. The Director General's 2014 travel and subsistence expenses were €4,144.</b>	<b>256,365</b>	<b>262,962</b>
<b>(C) Auditor's Remuneration</b>	<b>17,000</b>	<b>18,000</b>
<b>(D) Depreciation (Net of Disposals)</b>	<b>579,027</b>	<b>549,009</b>
<b>(E) Interest Payable on Sums Repayable Over a Period Greater than Five Years</b>	<b>30,556</b>	<b>31,763</b>
<b>(F) Capital Grant Amortised</b>	<b>(149,823)</b>	<b>(149,823)</b>

## NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2014 (continued)

5. ANALYSIS OF DIRECT COSTS	2014 €	2013 €
Training	764,984	852,748
Education	1,406,394	1,624,572
Publications	185,195	180,190
Research	38,733	32,777
General	45,642	36,710
	<b>2,440,948</b>	<b>2,726,997</b>

## 6. EMPLOYEE INFORMATION

(A) The average number of permanent employees of the company, including full-time directors during the year, is analysed below.

Training	23	23
Education	26	26
Publications	4	4
Research	4	4
General	22	21
	<b>79</b>	<b>78</b>

(B) The company's salary costs for all employees comprise:

Wages and Salaries	4,176,243	3,936,573
Associate Staff	359,284	-
Social Insurance Costs	446,993	507,370
Income Continuance Plan	65,450	75,989
	<b>5,047,970</b>	<b>4,519,932</b>

€312,145 (2013: €354,970) of pension levy has been deducted and paid over to the Department of Public Expenditure and Reform.

As a result of the IPA's redeployment of staff during 2012, there are a number of staff on secondment. For 2013 the recoupment of salaries from staff on secondment, including the recouped pension contribution, was netted against the salaries charge. In 2014 the pension contribution element has not been offset against salaries but is separately accounted for and paid over to the Exchequer.

(C) The IPA changed its payment arrangements for its associate lecturing staff to payroll during 2014. Expenditure in relation to associate staff in 2014 in the amount of €359,284 is made up of €232,596 paid through payroll and €126,688 paid to the Revenue Commissioners as a tax settlement by way of an unprompted voluntary disclosure. Historically, the IPA made payments to associate lecturing staff without deducting PAYE/PRSI and had provided details of payments made to the Revenue Commissioners on relevant tax returns. During 2014, following clarification from the Revenue Commissioners, the IPA commenced payment to these staff through the normal payroll system. In September 2014 the IPA made an unprompted voluntary disclosure in relation to employer's PRSI related to payments made to associate staff during 2013 and 2014. The disclosure included employer's PRSI of €117,899, interest of €8,799 and penalties of €2,162. The Revenue Commissioners accepted a settlement of €126,688 as the penalty element did not apply where a voluntary disclosure is made.

## NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2014 (continued)

7. ANALYSIS OF ADMINISTRATION EXPENSES	2014 €	2013 €
Repairs, Cleaning, Maintenance	294,707	286,940
Depreciation	579,027	549,009
Stationery and Photocopying	107,951	107,676
Light, Heat, Phone	157,344	117,477
Postage	63,620	54,070
Insurance	21,030	23,554
Corporate Affairs and Marketing	188,421	91,778
Staff Development	27,304	29,793
General	90,619	100,047
	<b>1,530,023</b>	<b>1,360,344</b>

## 8. STOCKS

Stationery and Books	111,772	122,263
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## NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2014 (continued)

9. FIXED ASSETS, TANGIBLE ASSETS	Land and Buildings <sup>(a)</sup>	Office Machines	Furniture, Fittings, Equipment & Library Books	Total
COST OR VALUATION (AT 1 JANUARY 2014)	€	€	€	€
Cost	13,047,369	1,750,982	2,641,666	17,440,017
Revaluation 1975	177,763			177,763
Revaluation 1999	7,382,114			7,382,114
	<b>20,607,246</b>	<b>1,750,982</b>	<b>2,641,666</b>	<b>24,999,894</b>
Additions		158,899	35,045	193,944
<b>At 31 December 2014</b>	<b>20,607,246</b>	<b>1,909,881</b>	<b>2,676,711</b>	<b>25,193,838</b>
<b>DEPRECIATION</b>				
At 1 January 2014	4,937,478	1,670,553	2,156,527	8,764,558
Charges for Year	410,365	94,942	73,720	579,027
<b>At 31 December 2014</b>	<b>5,347,843</b>	<b>1,765,495</b>	<b>2,230,247</b>	<b>9,343,585</b>
<b>NET BOOK VALUE</b>				
<b>At 31 December 2014</b>	<b>15,259,403</b>	<b>144,386</b>	<b>446,464</b>	<b>15,850,253</b>
<b>NET BOOK VALUE</b>				
<b>At 31 December 2013</b>	<b>15,669,768</b>	<b>80,429</b>	<b>485,139</b>	<b>16,235,336</b>

Note (a) Schedule of Properties and Type of Holding

57-61 Lansdowne Road	Freehold
49-51 Lansdowne Road	Freehold
55 Lansdowne Road	Freehold
Vergemount Hall, Clonskeagh	Licence Agreement by Way of Peppercorn Rent

## NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2014 (continued)

10. DEBTORS AND PREPAYMENTS	2014 €	2013 €
Trade Debtors	1,373,660	1,506,232
Prepayments and Accrued Income	15,022	10,000

(Trade Debtors is net of Bad Debts Provision of €40,000 (2013: €40,000).)	1,388,682	1,516,232
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## 11. CREDITORS AND ACCRUALS

(A) Amounts Falling Due within One Year

Trade Creditors	323,338	153,435
Deferred Fee Income	1,746,860	2,043,990
Exchequer Pensions (Note 15c)	188,121	147,027
Sundry Creditors and Accruals	210,702	177,835
PAYE/PRSI	222,760	179,221

	2,691,781	2,701,508
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(B) Long-term Loan Facility

€5m 20-Year Variable Rate Facility	3,137,117	3,394,974
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## 12. SHORT-TERM INVESTMENTS

There were no short-term investment moneys in 2014.

## 13. CAPITAL GRANTS

At 1 January	962,960	1,112,783
Amount Amortised to Income in Year	(149,823)	(149,823)

At 31 December	813,137	962,960
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## NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2014 (continued)

14. RESERVES	Capital Reserve	Revenue Reserve	Accumulated Surplus on Income and Expenditure	Total
	€	€	€	€
At 1 January 2014	8,366,574	3,394,974	520,555	12,282,103
Transfer to Capital Reserves	257,857	(257,857)	-	-
Surplus on Income and Expenditure Account	-	-	419,676	419,676
<b>At 31 December 2014</b>	<b>8,624,431</b>	<b>3,137,117</b>	<b>940,231</b>	<b>12,701,779</b>

The Institute's Balance Sheet reserves comprise a capital reserve, a revenue reserve and an accumulative surplus reserve on income and expenditure. The capital reserve is held to fund the development of the IPAs building infrastructure, the revenue reserve caters for the principal on the long-term mortgage debt facility, while the accumulative surplus reserve is used to fund ongoing operating activities.

## 15. PENSIONS

## (A) Pension Liability and Asset

As outlined in Accounting Policy (g) above, the Institute's pension fund was transferred to the National Pension Reserve Fund (NPRF) on 30 June 2010 in accordance with the Financial Measures (Miscellaneous Provisions) Act, 2009. Following the transfer of scheme assets, the Institute is required to pay the Department of Public Expenditure and Reform an annual contribution after taking account of pensions due for payment. The department will provide funding where the pensions paid exceed the contribution. The Board has adapted the treatment and disclosures required by the accounting standard Financial Reporting Standard 17 (Retirement Benefits) to reflect the arrangements in operation. While the funding arrangement operates on a net pay over basis with the department, the Institute believes the nature of the arrangement is akin to a full reimbursement of the pension liability when those liabilities fall due for payment, and therefore recognises its right to the reimbursement as a separate asset in an amount equal to the liability at the year-end.

The FRS17 pension liability at 31 December 2014 is €58,152,000 (2013: €52,883,000) based on an actuarial valuation of the pension liabilities in respect of Institute staff as at 31 December 2014, carried out by a qualified independent actuary for the purposes of FRS 17. A deferred funding asset of €58,152,000 equal to the liability at 31 December 2014 is recognised as a separate asset on the Balance Sheet.

## NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2014 (continued)

MOVEMENT IN PENSION LIABILITY	2014 € '000	2013 € '000
PRESENT VALUE OF SCHEME OBLIGATIONS AT BEGINNING OF YEAR	52,883	50,200
Current Service Cost	780	880
Plan Participants' Contributions	63	78
Interest Cost	2,014	2,015
Actuarial Gain/Loss	3,874	1,162
Benefits Paid	(1,462)	(1,340)
Expenses Paid	-	(112)
PRESENT VALUE OF SCHEME OBLIGATIONS AT END OF YEAR	58,152	52,883
PENSION ASSET	58,152	52,883

The net effect on Income and Expenditure of the above is nil.

## (B) PENSION COST RECOGNISED IN THE STATEMENT OF INCOME AND EXPENDITURE

With the transfer of the fund assets to the NPRF in 2010, there is no pension cost recognised in the Statement of Income and Expenditure for 2014. This was also the case in 2013.

## (C) CONTRIBUTION TO THE EXCHEQUER IN RESPECT OF PENSIONS

In accordance with the arrangements set out in note 15a, the Institute is required to make an annual contribution to the Exchequer in respect of pensions. The contribution is set at 34.6% of the Institute's payroll charge and comprises the Institute's contribution of €1.6m (2013: €1.7m) and employee contributions of €99,600 (2013: €114,428).

The Institute makes pension and related payments on behalf of the Exchequer and the amount payable to the Exchequer is calculated after taking account of such payments.

Amounts payable to the Exchequer are set out below:

	2014 (€)		2013 (€)	
Balance at 1 January		147,027		30,884
IPA Staff (Excl. Seconded)	1,441,175		1,430,285	
IPA Seconded Staff	176,515		272,264	
Total IPA Contribution <sup>1</sup>		1,617,690		1,702,549
Employee Contributions		99,650		114,428
Pensions and Related Payments		(1,576,246)		(1,450,834)
Payments to Exchequer		(100,000)		(250,000)
<b>Balance at 31 December</b>		<b>188,121</b>		<b>147,027</b>

Note 1: As a result of the IPA's redeployment of staff in 2012, there are a number of staff on secondment. The IPA makes the necessary pension contribution to the Exchequer on their behalf (2014: €176,515; 2013: €272,264). For 2013 the recoupment of salaries from staff on secondment, including the recouped pension contribution, was netted against the salaries charge. In 2014 the pension contribution element has not been offset against salaries but is separately accounted for and paid over to the Exchequer.

## NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2014 (continued)

## (D) DESCRIPTION OF SCHEME AND ACTUARIAL ASSUMPTIONS

The pension scheme is a defined-benefit final salary pension arrangement with benefits defined by reference to current public sector scheme regulations. The scheme provides a pension (in one-eightieths per year of service), a gratuity or lump sum (at three-eightieths per year of service) and spouse's and children's pension. Normal retirement age is a member's 65th birthday. Pensions in payment (and deferment) normally increase in line with general public sector salary inflation. The current practice of increasing pensions in line with public sector salary inflation is taken into account in measuring the defined-benefit obligation.

The financial assumptions used for FRS17 purposes were:

	At Year-end 31/12/2014	At Year-end 31/12/2013
Rate of Increase in Salaries	2.50%	3.00%
Rate of Increase in Pensions in Payments	3.00%	3.00%
Rate of Increase in Pensions in Deferment	2.50%	3.00%
Discount Rate	2.10%	3.80%
Inflation	1.50%	1.90%

The key mortality assumptions used in estimating the actuarial value of the scheme liabilities are:

Weighted average life expectancy for mortality tables used to determine benefit obligations at 31 December 2014:

	At Year-end 31/12/2014	At Year-end 31/12/2013
Male Member Age 65 (Current Life Expectancy)	22.7	23.3
Female Member Age 65 (Current Life Expectancy)	24.7	24.7
Male Member Age 45 (Life Expectancy at Age 65)	24.9	25.9
Female Member Age 45 (Life Expectancy at Age 65)	27.0	26.9
Male Member Age 40 (Life Expectancy at Age 65)	25.5	26.4
Female Member Age 40 (Life Expectancy at Age 65)	27.6	27.4

The above mortality assumption is in line with the standard table allowing for projected improvements. The above assumptions are the same as those used in last year's disclosures.

## (E) FUNDING OF PENSION

The IPA expects to contribute €1.7m to the Exchequer in 2015.

**NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2014 (continued)****16. FREEHOLD AND LEASEHOLD PROPERTIES OWNED BY IPA**

57-61 Lansdowne Road	Freehold
49-51 Lansdowne Road	Freehold
55 Lansdowne Road	Freehold
Vergemount Hall, Clonskeagh	Licence Agreement by Way of Peppercorn Rent

**17. BOARD MEMBERS' INTERESTS**

The Board adopted procedures in accordance with the revised Code of Practice (2009) for the Governance of State Sponsored Bodies in relation to the disclosure of interests by Board members, and those procedures have been adhered to in the year. There were no transactions in the year in relation to the Board's activities in which members had any beneficial interest.

**18. APPROVAL OF FINANCIAL STATEMENTS**

The Financial Statements were approved by the Board of the Institute on 12 May 2015.

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