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University College Cork

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(appointed Chair in June 2008)  
Bernard Carey  
(term of office expired in June 2008)  
John Tierney  
(appointed Vice-Chair in June 2008)  
Ciaran Connolly  
(resigned in February 2008)  
John Cullen  
Sean Dorgan  
(term of office expired in June 2008)  
Des Dowling  
Tom Geraghty  
(term of office expired in June 2008)  
Cathal Goan  
Philip Hamell  
(resigned in February 2008)  
Annette Kennedy  
(term of office expired in June 2008)  
Martin McDonald

Des Mahon  
(term of office expired in June 2008)  
John A. Murray  
(term of office expired in June 2008)  
Orla O'Donnell  
(term of office expired in June 2008)  
Aisling Reynolds-Feighan  
(term of office expired in June 2008)  
Dermot Ryan (resigned in April 2008)

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Eamon O'Shea  
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Marie Brady  
Martin Cronin  
Des Dowling  
Michael Errity  
Peter Nolan

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Frances Spillane

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Carmel Keane

AUDIT COMMITTEE

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John Cullen  
Pat Hall  
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Dónal de Buitléir  
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Bláthna Ruane



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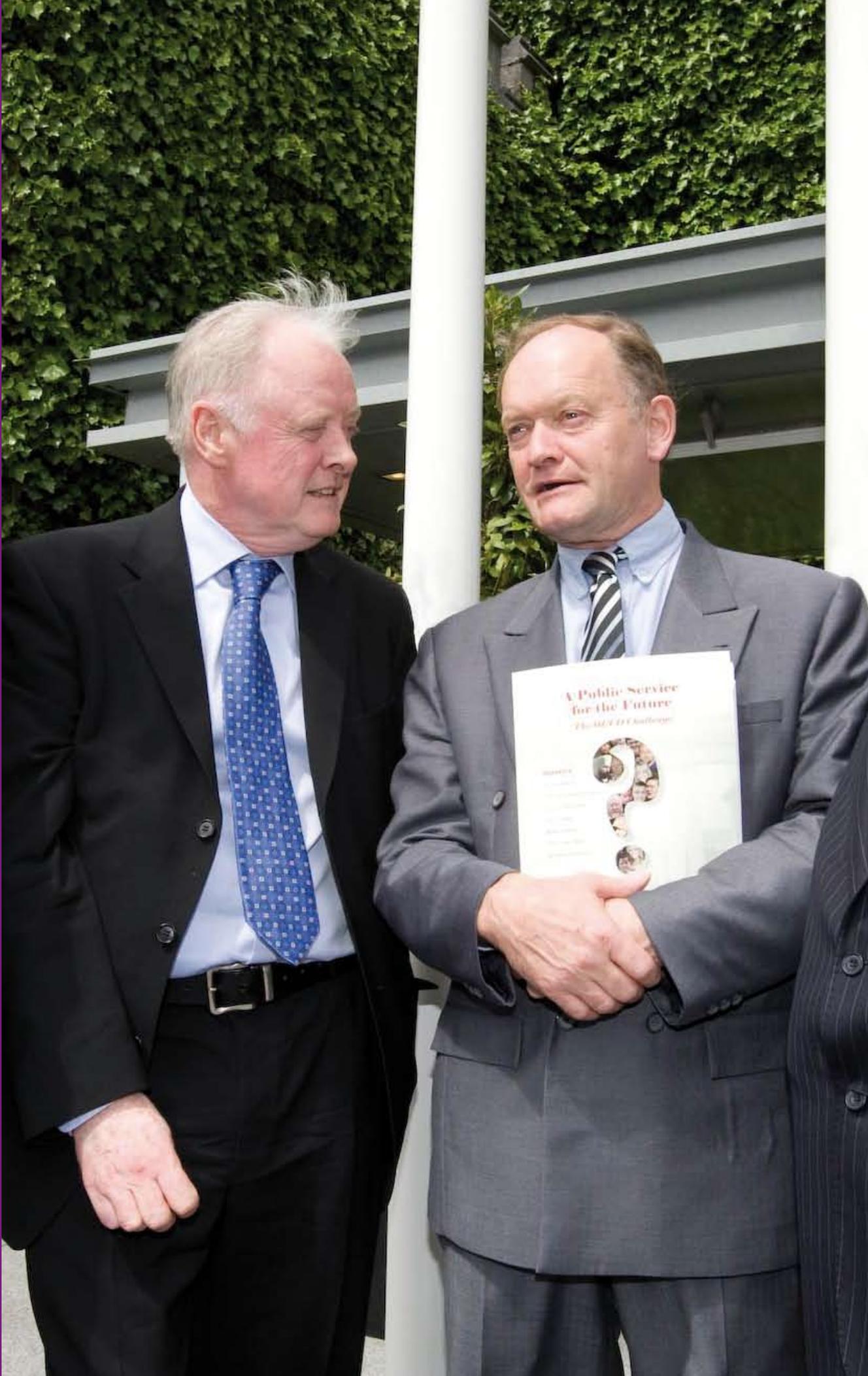
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# FOREWORD



(l-r) Garret FitzGerald, T. K. Whitaker, Minister for Finance Brian Lenihan TD and former Taoiseach Albert Reynolds, at the conference entitled *Economic Development - 50 Years On, 1958-2008*.

The year 2008 was a significant one in the development of the public service. The Government invited the OECD to carry out a major benchmarking of the Irish public service — the first such review ever carried out by the organisation. The findings of the OECD report were accepted by the Government, and a process put in place to secure its implementation. The agenda laid down by the report will shape the next phase of modernising the public service.

The Institute's research capacity was an important resource supporting the OECD team's analysis.

While the OECD acknowledged the significant contribution of the Irish public service to national development, even though investment in public services is low by international standards, it set a challenging path forward. During 2008, the Institute gave much thought to how it might best position itself to support this process, and dialogue opened with senior levels in the public service to this end.

The present difficult economic situation is posing serious challenges for the public service. This is also true for the Institute itself. As training and development budgets in public bodies are coming under pressure, this is clearly reflected in a fall in demand for the Institute's services. This is creating a huge challenge for the Institute for 2009.

The Institute's founding charter envisaged it centre stage in promoting good practice in public management. It is important therefore that a viable partnership with public service management be developed so that the Institute and its major stakeholders, public service organisations, can together deliver on the goals set out in the OECD report.



Rody Molloy  
**Chairman**

During 2008, the Institute's international business flourished, particularly in the research area. New business was won to support the development of the civil service in Hong Kong. And the founding partnership, centred on the governance of state agencies, involving Norway, Ireland and Belgium, has now expanded to a network stretching to Australia and the United States. This international network, properly harnessed, can be an important learning opportunity as we enter the next phase of modernising the public service.

In June 2008, the Board of the Institute was re-appointed, and some long-standing Board members retired. On behalf of the Institute, I wish to thank them for their sterling support for the Institute over the years. In particular, may I wish my immediate predecessor, Philip Furlong, every good wish as he leaves the Board after many years of exceptional service. On behalf of the Board, I offer our thanks to the Director General and staff of the Institute for delivering a very effective performance in 2008 in a difficult trading environment.

Rody Molloy  
**Chairman**

# DIRECTOR GENERAL'S REPORT





# DIRECTOR GENERAL'S REPORT

During 2008, the Institute continued to make progress in shaping its operations around the aims of its Corporate Strategy, 2005–2010. The year also proved challenging for the Institute as the effects of the worsening economic situation manifested themselves in weakening demand for the Institute's services, particularly in the second half of the year.

The publication during 2008 of the much-anticipated OECD report on the Irish public service, followed by the report of the Implementation Task Force, has set a challenging agenda for the next phase of public service reform. The OECD team drew heavily on the work of the Institute, particularly the impressive corpus of work emanating from our Research Division. The Institute mobilised a programme of activities around the OECD report. Work was well advanced on the preparation of a special edition of our journal, *Administration*, for publication in the early months of 2009. Institute personnel also acted in a commentator role in various media outlets, and several seminars were devoted to expanding on the report's findings. The OECD report painted a picture of a more unified public service, with its various parts working in greater unison and with greater transfer of human resources across the system. The Institute's pan-public service nature positions it well to respond to and shape this agenda.

More and more in our programmes we are seeking to promote learning in an environment where participants are drawn from different parts of the public service. For example, during 2008, the leadership programme we offer in collaboration with associates from the Kennedy School at Harvard included a mix of participants from the

top levels in the civil service, local government and the state agencies. Similarly, our seminar programmes are configured on a cross-agency basis.

We made further progress in establishing the Institute as a centre of excellence in the areas of leadership, governance, policy formulation and strategy implementation — the four themes of importance reflected in our Corporate Strategy. The partnership with Harvard continues to attract participants on leadership programmes from the most senior levels in the public service, up to county/city manager and secretary general. Also during 2008, we published a special issue of our journal, *Administration*, on the theme of leadership, with an impressive array of contributors from the public service and academia.

Corporate governance remains of enduring interest to our client base as the focus on this area intensifies. The Institute's Governance Forum continued to attract strong interest during 2008, and Institute staff provided valuable consultancy services to members of the Forum. We also completed the analysis for another piece of research on governance, this time relating to commercial state-owned enterprises. This was to be published early in 2009. Our masters in policy analysis (MEconSc) continued to support the development of policy analysis skills in the public service. For the local government sector, we promoted a series of seminars aimed at specific policy areas relevant to the system.

Our education services continued to attract strong support, despite the slowdown in economic activity, with more than 2,400 students on the Institute's books pursuing NUI



*Image top*

Pictured at the *Economic Development* conference were (l-r) Tom Considine, Sean Cromien, Tomás Ó Cofaigh , T. K. Whitaker, Maurice Doyle, Paddy Mullarkey and David Doyle.

*Image bottom*

Poet Thomas Kinsella (left) and T. K. Whitaker at the *Economic Development* conference.

accredited programmes, including 40 at Doctorate (DGov) level. Our graduation ceremony in December conferred qualifications on about 880 students.

The Institute's services continued to be in demand abroad. The strong partnership with the Department of Foreign Affairs enabled the Institute to support the development of public service capabilities in many countries in the Balkans and in Kyrgyzstan. We have also been successful in winning business through EU tendering processes and in the Seychelles, where we are currently offering our MA programme, and our Research Division carried out a major benchmarking review of the Hong Kong civil service. A major new development for the Institute is the preparatory programme for those intending to sit the EU Concours examination for entry to the services of the European institutions.

Our *Administration Yearbook & Diary* continued to enjoy strong demand; each year sees new features being added to increase the usefulness of the product. The year 2008 also saw the first fruits of the Institute's new publishing strategy to concentrate on producing texts on the pillars of the Irish constitution. *Government in Modern Ireland*, authored by staff member Dr Muiris MacCarthaigh, is a comprehensive guide to all aspects of the Irish governmental system.



John Cullen  
**Director General**

All in all, despite a difficult operating environment, the Institute put in a creditable performance in 2008. I would like to thank the Chairman and Board for their leadership and wisdom in guiding the actions of the Executive. Many of the Board members who retired in June 2008 had had long service. I wish to thank them especially for their dedicated service to the Institute over the years. I would like also to pay tribute to the professionalism and quality of the efforts of the Institute's staff. The Irish public administration system will have significant development demands in the years immediately ahead. Institute staff are ready to support these needs.

John Cullen  
**Director General**

# EDUCATION



# EDUCATION



*Image top*

Pictured at the conferring of NUI qualifications in Dublin Castle on 8 December 2008 were Assistant Commissioner M. Feehan, An Garda Síochána, and Annette Browne, An Garda Síochána, first place, MA in Financial Management.

*Image bottom*

Also at the conferring of NUI qualifications in Dublin Castle on 8 December 2008 were (l-r) Dr Michael Mulreany, Assistant Director General, IPA; John Cullen, Director General, IPA; Ann Martin, Dundalk Institute of Technology; Dr Attracta Halpin, Registrar, NUI; and Professor D. I. F. Lucey, President, IPA.

## NATIONAL UNIVERSITY OF IRELAND

The Institute's education programmes lead to awards that are accredited by the National University of Ireland, of which the IPA is a recognised college.

In 2007–2008, the Institute offered a suite of undergraduate and postgraduate programmes, ranging from level 6 to level 9 of the National Framework of Qualifications.

The conferring ceremony for NUI graduates took place in December 2008 in Dublin Castle when over 850 graduands were conferred.

## UNDERGRADUATE PROGRAMMES

The flagship programmes – the BA and the BBS – were offered through three delivery methods: lectures at the IPA, lectures at regional centres and distance education.

In 2007–2008, seven specialisms were offered on the BA and four on the BBS.

At Diploma level, six specialisms were offered in the field of public management, and four in business studies. The first cohort of the Diploma in EU Studies graduated in 2008. Fifteen students enrolled in the second iteration of Diploma in EU Studies for 2008–2009, and twenty-two students enrolled in the third iteration of Diploma in Health Economics.

The overall number of undergraduate students in 2008 was approximately 1,100.



*Image top*

Pictured at the conferring of NUI qualifications in Dublin Castle on 8 December 2008 were Dr Michael Mulreany, Assistant Director General, IPA (left) and Stephen Flynn, Donegal County Council, first place, MA in Public Management.

*Image bottom*

Also at the conferring of NUI qualifications in Dublin Castle on 8 December 2008 was Nicola Radley, Cork County Council, first place, MA in Local Government.

## MASTER OF ARTS

The Institute's MA programmes have a common first year for which there is an award of Higher Diploma. In year 2, students progress to a choice of six areas of specialism. In 2008, the total number of students on MA programmes was approximately 200.

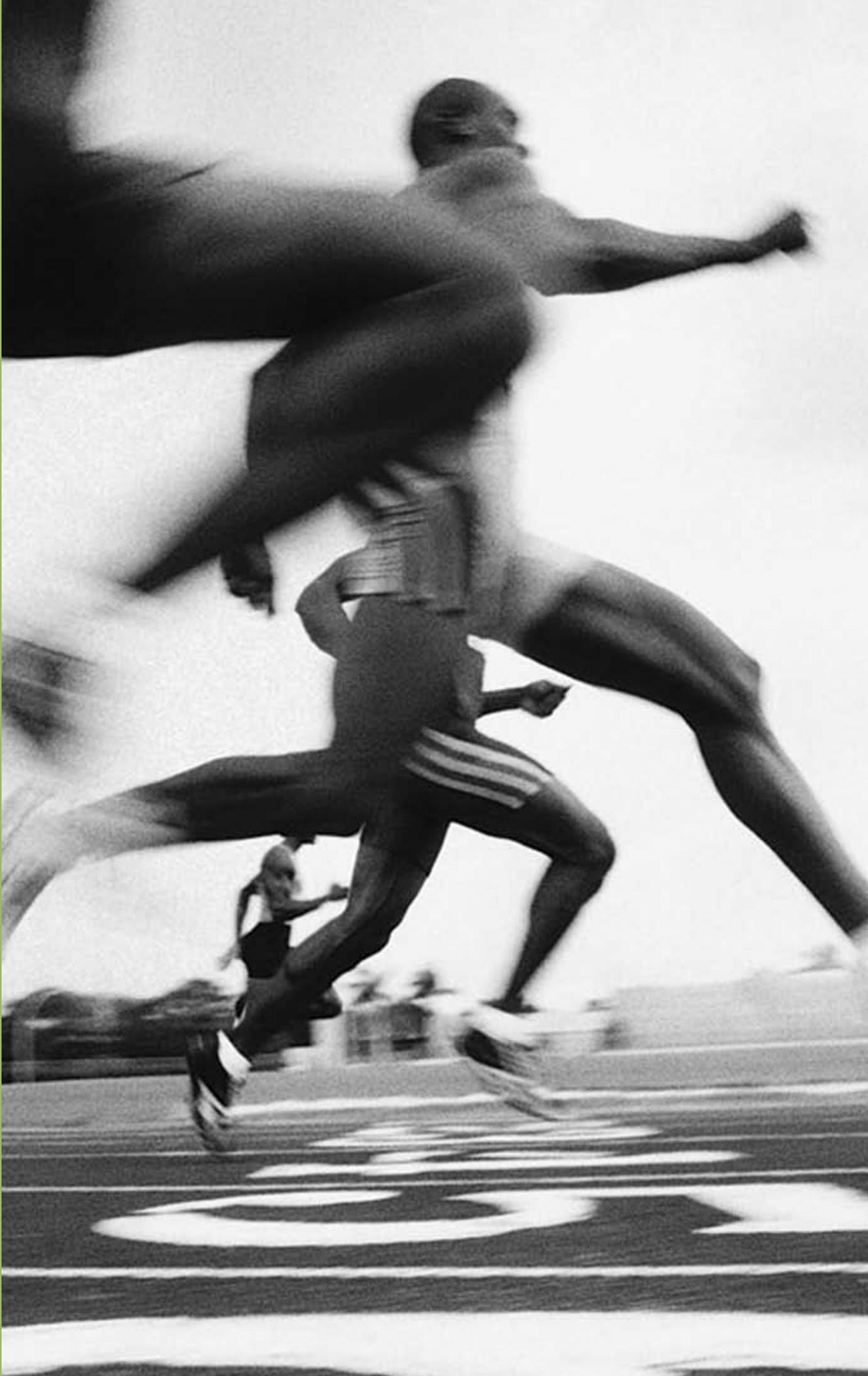
## DOCTORATE IN GOVERNANCE

The Doctorate in Governance programme, which is jointly offered with Queen's University Belfast, commenced in 2003 and the first graduates were conferred in 2006. In 2008, approximately fifty students were enrolled in the Doctorate programme.

## MEconSc IN POLICY ANALYSIS AND HIGHER DIPLOMA IN POLICY ANALYSIS

The MEconSc in Policy Analysis is a two-year programme. In the first year, students attend the IPA on a full-time basis to study a range of subjects. In the second year, the students work in their departments on applied dissertations. A fresh intake of thirteen students commenced the programme in September 2008. Seventeen students participated in year 2 of the programme.

The Higher Diploma in Policy Analysis is a two-year part-time programme delivered at the IPA. A fresh intake of twenty-one joined the programme in September 2007. Twenty students participated in year 2 of the programme.





# RESEARCH

## INTRODUCTION

As noted in earlier annual reports, the IPA has a small, full-time, dedicated team of six staff undertaking applied research for government departments and other public sector bodies. Traditionally, the Committee for Public Management Research (CPMR) has been the Research Division's major client, with other research commissions and consultancy work addressing public service management issues carried out when resources permitted. However, the CPMR was discontinued in 2008, which has significantly changed the profile of the work of the Research Division.

## COMMITTEE FOR PUBLIC MANAGEMENT RESEARCH (CPMR)

Two CPMR research studies substantially completed in 2007 were published in 2008, and were launched and disseminated at a workshop organised by the Department of the Taoiseach at Farmleigh in June 2008, namely:

- *Public Service Values*, and
- *Understanding and Managing Organisation Culture*.

One further CPMR research study was conducted in 2008 and is due for publication in early 2009:

- *The Corporate Governance of Commercial State-owned Enterprises in Ireland*.

This report on the corporate governance of state enterprises completes a set of research reports on the corporate governance of agencies, following as it does the completion of the reports on the *Corporate Governance of non-Commercial State Agencies* and the *Corporate Governance of Regional and Local Public Service Bodies*, in 2005 and 2007 respectively. In carrying out this research, the Research Division is part of an important

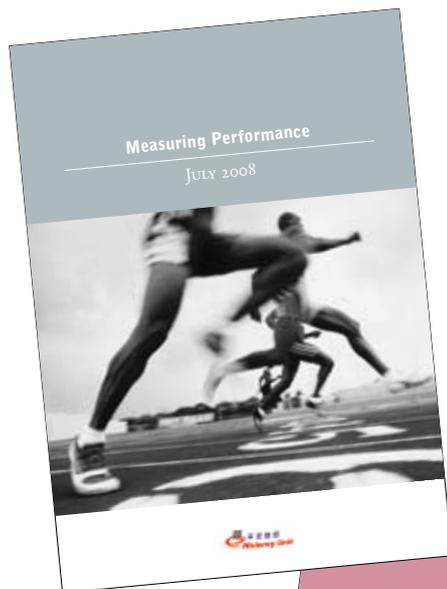
strategic alliance with the Public Management Institute of the Catholic University of Leuven ([www.publicmanagement-cobra.org](http://www.publicmanagement-cobra.org)). This very prestigious project now includes comparable research being undertaken in seven European countries as well as Australia and the USA. Ireland was one of the first partners, together with Belgium and Norway.

All CPMR publications are available to download from the Committee's website ([www.cpmr.gov.ie](http://www.cpmr.gov.ie)). In addition, hard copies of research reports and discussion papers are disseminated to senior officials across the wider public service, as well as to personnel, training and other officers as appropriate.

## OTHER RESEARCH ACTIVITIES IN 2008

In addition to its work for the CPMR, the Research Division also undertook specific applied research studies for individual public service bodies. These projects included:

- Collaborating with colleagues in the Institute's Education Division to tender successfully for work with the Office of the Comptroller and Auditor General, assessing the quality of its value for money (VFM) reports. *The External Quality Review of VFM Published Reports* was submitted in May.
- Being awarded a tender in April for provision of a consultancy service to the Efficiency Unit of the Government of the Hong Kong Special Administrative Region. This consultancy project, which is ongoing in 2008–2009, involves the provision of four quarterly reports on *Global Public Sector Reform Developments in 2008–09*.
- Involvement as part of an Institute-wide team in providing support for a Capacity Review undertaken by the Department of Finance.
- Towards the end of the year, winning a substantial tender to benchmark the Hong Kong public service.



Members of the Research Division also delivered presentations, briefings and training sessions at a wide range of seminars, conferences and other events, and published articles, reports and a new textbook on Irish government and public administration, titled *Government in Modern Ireland*.

The Research Division was also represented at the University of Leuven's Public Management Institute for three weeks in March as part of ongoing international research into state agencies, and a member of the research team who participated in a Cross-Border Public Sector Training Programme run by the Centre for Cross-Border studies and CIPFA during 2008 was awarded a distinction for their final project.

## INTERNAL ACTIVITIES

Members of the Research team were actively involved in a wide range of Institute initiatives. For example, team members contributed to the 2008 IPA national conference and to the review group established to explore business opportunities likely to emerge following the publication of the OECD review of the Irish public service.

In addition, team members continue to collaborate with colleagues from the Education and Training Divisions in contributing to the provision of training courses, education programmes and postgraduate dissertation supervision.



Richard Boyle  
**Head of Research**

## A NEW STRATEGY FOR RESEARCH

Given the discontinuance of the Committee for Public Management Research in 2008, the Research Division has been working on the development of a new strategy for research activities. This new strategic approach has been approved by the Board of the Institute.

The focus of research activity remains on public management research. At its simplest, this can be defined as research into practical problems of public service management. The OECD review of public services in Ireland is likely to set the general context for public management research in Ireland in the coming years.

With regard to the type of research to be undertaken, it is envisaged that two main types of research will continue to be undertaken, namely:

- Descriptive/analytic studies, often examining best practice both nationally and internationally, designed to provide an input into policy decisions and management education and development
- Interactive 'action research' studies in which researchers co-operate with clients in designing and evaluating better systems and procedures.

TRAINING AND DEVELOPMENT



# TRAINING AND DEVELOPMENT



#### *Image top*

Pictured at the Institute of Public Administration's Presentation of Awards held in Dublin Castle on 11 December 2008 were Francis Carroll, Fáilte Ireland, and Emmet Devlin, South Dublin County Council, each of whom received a Certificate in Strategic Procurement.

#### *Image bottom*

At the IPA, Lansdowne Road, for the presentation of Certificates in Public Administration were (back row, l-r) Niall Quinn, Department of Finance; Gerry Donnelly, Assistant Secretary General, Department of Enterprise, Trade and Employment; Richard O'Brien, National Consumer Agency; Alex Bowie, National Consumer Agency; Iain Long, Department of the Environment, Heritage and Local Government; Fiona O'Sullivan, Department of Communications, Energy and Natural Resources; (front row, l-r) Lorna Mulvihill, Department of Finance; Kay Colgan, Department of Justice, Equality and Law Reform; Evelyn Blennerhassett, IPA; Geraldine Tallon, Secretary General, Department of the Environment, Heritage and Local Government.

Leadership and governance continued to be two key areas of particular focus in 2008. In conjunction with the faculty from the Kennedy School of Government, there were two further senior leadership programmes delivered by the Training and Development Division at IPA and Harvard University. One was delivered for local government city and county managers and another for senior civil servants and chief executives of state agencies. An updated version of the Leadership in Local Government programme was launched in 2008. This programme is aimed at developing leadership potential within the local government system and, on this occasion, also included a benchmarking visit to South Africa to consider the challenges of leadership at local municipal level in that country. Jeff Lawrence of Cambridge Leadership Associates in the US presented a leadership alumni event devoted to discussing the role of adaptive leadership in addressing the current economic downturn. A Leadership Development event for secretaries general was organised in July, which included contributions from national and international experts on cross-agency implementation and a workshop led by one of the leading experts on team performance, Professor Richard Hackmann from Harvard University. The IPA also organised a workshop on Resolving Conflicts and Building Communities, which included a number of speakers from Northern Ireland, and also the Women in Leadership series focused on the role of women at senior levels in the public service.

The Governance Forum, launched in 2007, is aimed at developing best practice in the public sector, through networking, consultancy, and expert inputs. Events during the year focused on Effective Boards, the Role of the Audit Committee, and Meeting Stakeholder Expectations.



In December, Sir Peter Gershon addressed the Forum on the Efficiency and Effectiveness Review that he had overseen in the UK.

In support of benchmarking and developing leading-edge contributions to executive learning and development, three years ago the Forum on Learning and Development was established, and this has become an important network for training and development professionals across the public service. During 2008, the Forum hosted a number of events. These interactive and practical workshops brought together leading practitioners, guest speakers, experts and academics from the world of training and development. The topics covered during the year included: eLearning and how it fits within a learning and development strategy; the impact of theatre-based learning in helping to change behaviour, and the value of work-based learning; the use of reflection as an approach to professional development; a practical approach to design of on-line evaluation; and return on investment in training and development. Amongst the contributors were: David Boud, Professor of Adult Education and Dean of the University Graduate School of the University of Technology, Sydney; Evelyn Blennerhassett, Senior Consultant, Institute of Public Administration; Dr Maureen Murphy, Managing Director, Aurion Learning, Belfast; Martyn Sloman, Adviser, Learning, Training and Development at the Chartered Institute of Personnel and Development; and Petra Costigan-Oorthuijs, Executive Coach and Managing Director, To-Be, Ireland's first theatre-based learning company.

The Institute hosted a number of seminars to promote dialogue and debate amongst senior civil and public servants on the key issues emerging from the OECD and Task Force reports. These interactive sessions brought together leading decision-makers,

including members of the Task Force, to consider critically some of the key reform issues and how they will be implemented. Contributions were provided by Dermot McCarthy (Secretary General to the Government and Department of the Taoiseach), Ciarán Connolly (Secretary General, PSMD, Department of Finance), Geraldine Tallon (Secretary General at the Department of the Environment, Heritage and Local Government), John Tierney (Dublin City Manager), Sylva Langford (Director General, Office of the Minister for Children and Youth Affairs), and Bryan Andrews (Chief Executive, Public Appointments Service).

The Institute plays an important role in improving the engagement between citizens and the public service. During the year, a programme was developed dealing with Citizen Participation in the Wiki and Facebook Era, in addition to a Health Policy Seminar on User Participation.

The Institute organised a number of national conferences for local government where various groups, including directors in all of the key policy areas, heads of finance and heads of information systems, had opportunities to address issues of current concern. A number of strategically relevant policy-related seminars were also organised in 2008 for local authority staff. One of the key seminars for local authorities focused on water policy and pricing and the implications of the requisite compliance with EU and national legislation. Another key seminar examined the Local Government (Business Improvement District Scheme) BIDS Act 2006, effective from 2007 onwards, and the role that local authorities play in implementing this legislation. A third seminar gave a broad overview of the functions and operations of Audit Committees (which were being rolled out in the local government system in 2008) and the working arrangements which ordinarily apply to effective and properly functioning audit committees.



The Training Division continued to provide the European Information Service and the dissemination and analysis of key topics of interest through the *EU Policy Review*, as part of the existing working relations with the Irish Regions Office in Brussels. It also continued the publication of the *Local Authority Times*, which provides an important tool for analysis, discussion and dissemination on key topics. For the 2007–2013 period, a new ‘Europe for Citizens’ programme was established with the support of the EU and the Department of Arts, Sport and Tourism, which incorporates a number of funding streams available to local authorities and local groups (including town twinning). The Institute was chosen as the national contact point for the programme, which will involve, among other activities, the dissemination of information and assistance to applicants in making bids for funding under this programme.

There was a continued strong take-up on financial and human resource management services, with particular interest in the seminar on New Financial Management Procedures and on Developing a Strategic Approach to HR. Accredited training programmes attracted large numbers, including the programme on Workplace Mediation. Numbers on the Certificate and Diploma in Local Government, and the Diploma in Computer Studies remained strong. In the area of Leadership and Management, there was a big demand for the Certificate in Management Development. There was also a growing demand for the Certificate in Civil Service and State Agency Studies programme, which was strongly supported by a wide range of government departments.

# INTERNATIONAL SERVICES





# INTERNATIONAL SERVICES



Visiting Romanian group with Teresa Casserly, Manager, Business Sector Development, IPA.

The year 2008 marked the fourth year of implementation of the International Services Strategy as approved by the Institute's Board. On the basis of a five-year perspective, the Institute initiated a variety of sectoral interventions to consolidate and further expand its international business.

## CONTINUED EXPANSION ON THE INTERNATIONAL SCENE

Building on the good results of 2007, the International Services Unit delivered on the main elements of its strategy by focusing on delivering dedicated public sector assistance projects and facilitating the transfer of Irish civil service experience to countries engaged in reform and transition processes. This was done according to thematic areas of operation, primarily in public administration reform and economic development.

A significant element of the International Services Unit's activities has been supported by the Department of Foreign Affairs. The unit delivered various capacity-building projects in Croatia and Macedonia, with a view to facilitating the transfer of expertise and know-how from the Irish public sector to selected ministries, departments and other public agencies in Zagreb and Skopje. These programmes focused on the challenges of EU integration faced by both countries as they work towards full membership of the Union. In particular, the programmes focused on the transfer of expertise related to management and evaluation of structural funds, negotiation, and the development of in-service training facilities. Some projects were specifically aimed at increasing the technical capacity of staff in these public bodies, while others were aimed at improving the internal organisational work processes, as well as helping in devising a strategic vision and setting relevant objectives.



In 2008, the International Services Unit delivered to civil servants from new EU member states and EU acceding countries twelve sessions of the newly designed EU Affairs Training Programme, relating to EU negotiation and national co-ordination skills.

In response to requests, an Assistance Programme on management of the EU Presidency was designed and delivered in 2008, for the benefit of the Czech and Hungarian Governments, with a particular focus on chairperson-training and advice on administrative preparation.

A bilateral support programme to Turkey on the topic of Revenue Collection and Management, which started in 2006, was successfully completed, and benefited from the co-operation and support of the staff of the Revenue Commissioners.

In addition to the above, the International Services Unit actively and successfully pursued international tenders. For example, under the EU Commission Framework Contract, the unit was successful in winning two significant projects in Ankara, assisting the Turkish National Fund to put in place EU-compatible control systems and processes. It also participated in several EU programmes of assistance, such as capacity building for the Civil Service Training Centre in Kyrgyzstan.

The IPA also organised several ad hoc study tours and exchange programmes with a view to familiarising public sector officials from Russia, Estonia, Turkey, Latvia, Czech Republic, Croatia and Bulgaria with the operations, structures and successes of the Irish civil service, centrally and locally.

The Institute continued to act in 2008 as the national contact point for Ireland, in order to facilitate twinning arrangements in eastern, central and south-west Europe.

With a view to anticipating new business opportunities, the Institute is currently engaged in two very large tendering processes, as well as in discussion with similar institutes and universities to assess possibilities of linkages.

In support of developing the skills to prepare Irish nationals for participating in competitions to recruit officials to the European Commission, the EU Concours, the IPA provided a number of programmes in conjunction with a European school.



Nicolas Marcoux  
**Manager**

# LIBRARY AND INFORMATION SERVICES





# LIBRARY AND INFORMATION SERVICES

Supporting the Institute's knowledge-based activities is the remit of the library — a specialised public affairs and public management resource extensively used by students, clients and staff. Given the varying needs of its diverse and countrywide user-base, the library continues to provide an information, reference and lending service enabling researchers and readers to have enhanced access to reading-room facilities at the IPA Lansdowne Road campus, as well as progressively ensuring greater link-up with electronic information services.

The library in Lansdowne Road represents only a relatively small element of the Institute's library service. The service also provides a telephone, postal and email service ([library@ipa.ie](mailto:library@ipa.ie)) for distance education students and members based outside the Dublin area. Students may, during term, contact library staff or use the reading rooms from 9.15 a.m. until 8.30 p.m., Monday to Thursday, and until 5.30 p.m. on Friday. The library is open on a restricted basis every Saturday and the majority of Sundays during term. Full and up-to-date information in relation to opening hours is available on the IPA website.

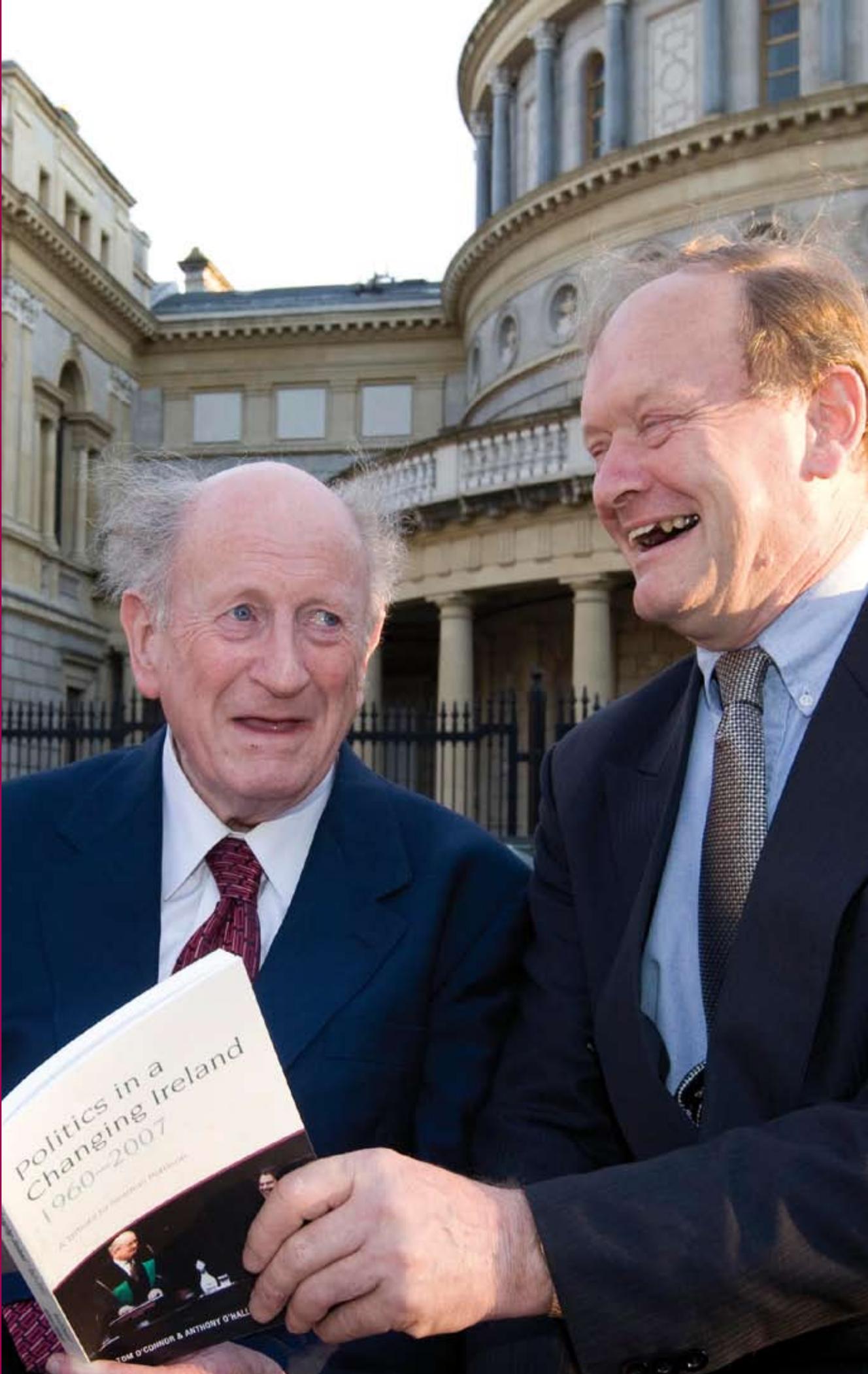
Public management is the library's area of specialisation. The collection includes material on sociology, politics, economics, law and the public service, local government, public policy, social and health policy, public sector, HRM, accounting and finance, and general management. The library contains some 30,000+ books, 250 hard-copy periodical titles, research studies, annual reports, reference sources, statistical data, and so on.

The library's catalogue is currently searchable in-house on a number of terminals in the library, through the IPA staff intranet, and from a remote location via the library link on the IPA website ([www.ipa.ie](http://www.ipa.ie)) – all of which are intended to increase user access to library resources and services, especially for distance education students and other off-site users. A growing number of full-text journals delivered electronically, together with full text database searching facilities, are also available.

The library provides an information and document supply service based on its own resources and supplemented by a range of external information services to which it has access.



Patricia Trotter  
**Librarian**



# PUBLISHING



Eileen Kelly, Head of Publications, and John Cullen, Director General, IPA, presenting a copy of *Administration Yearbook & Diary 2009* to An Taoiseach, Brian Cowen, TD.

The year 2008 saw the publication of a number of books, covering a wide variety of topics, together with the 43rd edition of the *Administration Yearbook & Diary* and the *Administration Yearbook Mailing Database CD-ROM*. Four volumes of the Institute's quarterly journal, *Administration*, were published, which included one special issue on the theme of *Leadership in the Irish Public Service*. The Publications Division also continued to carry out a number of consultancy projects for other public sector organisations.

## BOOKS PUBLISHED IN 2008

*Advisers or Advocates? The Impact of State Agencies on Social Policy* by Orleigh Quinn was published in January and the guest of honour was John Hynes, former Secretary General, Department of Social Welfare.

*Politics in a Changing Ireland 1960–2007: A Tribute to Seamus Pattison* by Tom O'Connor and Anthony O'Halloran was published in April in the Houses of the Oireachtas and the guest of honour was Brendan Howlin, TD, Leas Ceann Chomhairle.

*Belongings: Shaping Identity in Modern Ireland* edited by Mary P. Corcoran and Perry Share was published in May and the guest of honour was Jeananne Crowley.

*Dynamics of Regulation in Ireland: Advocacy, Power and Institutional Interests* by Pat Nolan was published in May and the guest of honour was Sean Gorman, Secretary General, Department of Enterprise, Trade and Employment.

*Government in Modern Ireland* by Muiris MacCarthaigh was published in September.



*Deference and the Presumption of Constitutionality* by Brian Foley was published in October.

*Social Policy, Ageing and Voluntary Action* by Nicholas Acheson and Brian Harvey was published in November and the guest of honour was Mary Rose Greville.

## RESEARCH REPORTS PUBLISHED

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

- *A Review of the Civil Service Grading Pay System* by Joanna Riordan, CPMR Discussion Paper No. 38
- *Public Service Values* by Muiris MacCarthaigh, CPMR Discussion Paper No. 39
- *Understanding and Managing Organisational Culture* by Orla O'Donnell and Richard Boyle, CPMR Discussion Paper No. 40.

## PERIODICALS

*Administration Yearbook & Diary 2009* and its offshoot *Administration Mailing Database CD-ROM* were produced in December. The 43rd edition contains innovations and improvements which enhance the Yearbook's usefulness. These include: restructured and easily accessible Civil Service, Health Service Executive and Garda Síochána sections; new section on Irish Language Translators; photographs of members of Seanad Éireann; more detailed information on basic facts about Ireland and its major cities, in the General Information section; and graphs on population, life expectancy, world languages, wealth and poverty, and a list of international websites, in the International Information section. Overall, there are approximately 100 new entries.

Four volumes of the Institute's journal, *Administration*, were published, including a special issue entitled *Leadership in the Irish Public Service*, edited by Brian Cawley and Tony McNamara.

## PUBLISHING CONSULTANCY

The Publications Division continued to offer its expertise in the production or management of publishing projects on behalf of other public sector organisations. Three issues of the magazine, *Action on Poverty*, were produced on behalf of the Combat Poverty Agency. The *Irish Probation Journal* was produced for the Probation Service, and *Documents on Irish Foreign Policy, Volume VI* was produced on behalf of the Royal Irish Academy.

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



AWARDS AND PRIZE WINNERS





## AWARDS AND PRIZE WINNERS



*Image top*

Pictured at the conferring of NUI qualifications in Dublin Castle on 8 December 2008 were Professor D. I. F. Lucey, President, IPA, and Caroline McMahon, Ulster Bank, Whitaker School Student of the Year.

*Image bottom*

Also at the conferring of NUI qualifications in Dublin Castle were Dr Michael Mulreany, Assistant Director General, IPA, and Stephen Flynn, Donegal County Council, first place, MA in Public Management.

Over 870 students were the recipients of awards of certificates, diplomas, degrees and/or postgraduate degrees during 2008. These were presented to students at the NUI conferring ceremonies in Dublin Castle on Monday 8 and Tuesday 9 December 2008.

The Awards Prize Presentations for 2008 were as follows:

Whitaker School of Government and Management  
Student of the Year

*Joint Winners*

**Fiona Morrissey**

**Caroline McMahon**

Master of Arts (Criminal Justice)

**Gerard Roche**

Master of Arts (Financial Management)

**Annette Browne**

Master of Arts (Healthcare Management)

**Gavin Rush**

Master of Arts (Human Resource Management)

**Helen Finucane**

Master of Arts (Local Government Management)

**Nicola Radley**

Master of Arts (Public Management)

**Stephen Flynn**

Higher Diploma in Public Management

**Ann Martin**

Master of Economic Science in Policy Analysis

**Eamonn Waters**



Higher Diploma in Policy Analysis

**Donagh Kelly**

Bachelor of Arts (Hons) (Administration of Justice)

**Andrew Archbold**

Bachelor of Arts (Hons) (Healthcare Management)

**Mary Sexton**

Bachelor of Arts (Hons) (Human Resource Management)

**Fiona Morrissey**

Bachelor of Arts (Hons) (IT Management)

**Colm Ormond**

Bachelor of Arts (Hons) (Local Government)

**Maureen McGee Garvey**

Bachelor of Arts (Hons) (Management)

**Marcella Moran**

Bachelor of Arts (Hons) (Public Management)

**John Harper, Thérèse Molyneux**

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

**Caroline McMahon**

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

**Patrick Collins**

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

**Brenda Hilliard**

Bachelor of Business Studies (Hons) (Marketing)

**Clodagh Barry**

Diploma in Economics for the Public Sector

**Catherine Clynes, Michael Gerard Glesson**

Diploma in European Union Studies

**Eoin Hartnett**

Diploma in Health Economics

**Máire O'Neill**

Diploma in Healthcare Management

**Patricia Reilly**

Diploma in Health Services Policy

**Angela Tierney O'Reilly**

Diploma in Project Management

**Colette Davis**

Diploma in Public Management

**Patricia Curran**

Diploma in Business Studies

**Jennifer Goodwin**

Diploma in Computer Studies

**Tony Ryan**

Diploma in Finance

**Kenneth Byrne**

Diploma in Management of Modern Public Service Delivery

**Mary Margaret Orford**

Diploma in Local Government Studies

**Marie O'Sullivan**



# OUTREACH 2008



*Image top*  
Garret FitzGerald and T. K. Whitaker.

*Image bottom*  
John Bowman and T. K. Whitaker.

As the Institute is the body dedicated to the profession of public service, the expertise of its staff is constantly called upon in ways other than 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 an informal network of heads of schools and institutes of public administration in the EU. During 2008, he was also a member of the adjudication panel for the Excellence in Local Government Awards, sponsored by the Chambers of Commerce of Ireland.

Dr Michael Mulreany, Assistant Director General, is a standing member of the Value for Money and Policy Review Group convened by the Department of Finance. During 2008 he was also a board member of Encounter.

Dr Richard Boyle is chair of the Irish Evaluation Network and a member of the international evaluation research group on policy and programme evaluation. Dr Peter Humphreys is a member of the national steering group for the national action plan against racism (Department of Justice, Equality and Law Reform), management board member for the Centre for Housing Research (Department of Environment, Heritage and Local Government), and member of the national selection committee for the Taoiseach's public service excellence awards.

A three-day training seminar for the Malaysian National Productivity Corporation in Kuala Lumpur on the measurement of public sector productivity was provided by a member of the research team, and assistance was also provided to the Polish Embassy in the compilation of a Polish Government Report on public sector reform.



Five staff members are non-executive members of the audit committees of a number of government departments, local authorities and state-sponsored bodies, in two cases acting as chair and vice-chair of the committees. Several staff members play prominent officer roles in the Chartered Institute of Public and Finance Accountancy (CIPFA) and the Chartered Institute of Management Accountants (CIMA).

For the sixth year running, the Institute sponsored an award in the Irish eGovernment Awards Scheme, in 2008, the best local government website

During 2008, the Institute hosted a number of morning seminars to promote dialogue and debate amongst senior civil and public servants on the key issues emerging from the OECD and Task Force reports. These interactive sessions brought together leading decision-makers, including members of the Task Force, to consider and discuss critically some of the key reform issues and how they will be implemented. Following brief presentations from each, there was valuable discussion between the audience and panels. Contributions were provided by Dermot McCarthy (Secretary General of the Department of the Taoiseach and Secretary to the Government), Ciarán Connolly (Secretary General, PSMD), Geraldine Tallon (Secretary General at the Department of the Environment, Heritage and Local Government), John Tierney (Dublin City Manager), Sylva Langford (Director General, Office of the Minister for Children and Youth Affairs), and Bryan Andrews (Chief Executive, Public Appointments Service).

For the first half of 2008, the Institute continued to publish a weekly *Public Policy Bulletin*, which helped to keep public servants abreast of policy developments, including proceedings of the Oireachtas, which affect their domain. In similar vein, three issues of the Institute's electronic newsletter, *ezine*, were produced.

The IPA Annual Conference took place on 29 May in Clontarf Castle. Entitled *A Public Service for the Future: The OECD Challenge*, the conference featured a number of national and international speakers. It offered a unique opportunity for those involved in all parts of the public service, and the political process, to gain invaluable insights into cutting-edge thinking on public service reform.

The IPA in association with the Department of Finance organised a conference to celebrate the fiftieth anniversary of *Economic Development*. The conference, entitled *Economic Development – 50 Years On*, was addressed by national and international speakers who discussed a range of issues, both historical and contemporary.



# INSTITUTE GOVERNANCE AND ADMINISTRATION



*Image top*  
Cyril Sullivan, Director of Finance and Information Systems



*Image bottom*  
Professor Denis I. F. Lucey, President

The Institute of Public Administration (IPA), which is a company limited by guarantee, was incorporated in 1963. It operates under the aegis of the Department of Finance, is a not-for-profit organisation with registered charity status, and is subject to statutory audit by the Comptroller and Auditor General.

It is governed by a Board – under the current chairmanship of Rody Molloy – 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 Board meetings and three standing Board Sub-Committees: 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 the Audit Committee (which deals with risk assessment and governance approaches). In addition, there is an Education Committee, which advises on and monitors educational qualifications and courses.

The Institute President presides at the Annual General Meeting and has the support of a number of Vice-Presidents. The forty-fifth AGM of the Institute took place on 12 June 2008. The names of the Honorary Officers, Board Members, and Board Sub-Committee members are contained on page 2.

## REPORT OF THE CHAIRMAN OF THE ADMINISTRATION COMMITTEE

**Rody Molloy** reports:

The Administration Committee met twice during 2008. It reviewed the performance of the Director General and also received progress reports on HR matters and the Institute's action plan for the implementation of the Towards 2016 modernisation programme. The Committee approved the award of pay increases and reviewed pension issues.

## REPORT OF THE CHAIRMAN OF THE AUDIT SUB-COMMITTEE

**Cathal Goan** reports:

During 2008, the Audit Committee had four meetings. 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, overseeing the Internal Auditor's Work Programme, and ensuring compliance with all other relevant obligations. It also liaised during the year with the representative of the Institute's auditors – the Comptroller and Auditor General. The Committee carried out a major review of its terms of reference, basing this on the Financial Reporting Council guidance document on audit committees.

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

**John Tierney** reports:

The Committee met on four occasions during the year. The main business transacted was to approve the 2008 budget and to monitor the quarterly management accounts and financial forecasts on behalf of the Board. Given the more difficult trading environment for the IPA experienced in 2008, the Committee placed a particular emphasis on this work.

The Committee also finalised its discussions on the mid-term review of the Institute's corporate strategy (February 2008) where it recommended to the Board that the executive focus should be to

- Implement a new research strategy
- Develop a high-level marketing plan
- Finalise the staff competency review, and
- Ensure an adequate response to the findings of the OECD review of the Irish public sector and the IPA's 2022 committee.

The Committee also advised the Board on a number of key strategic issues that arose during the year, including an expenditure review by the Department of Finance and the approach to the redevelopment of the Lansdowne Road campus given the changing economic circumstances. It also maintained a watching brief of the IPA's pension fund performance.

## 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 about current public management issues and future IPA service provision, and thereby contribute to the professional thrust of the Institute. There are currently 110 corporate members of the Institute and 1,800 members, incorporating both students and interested members of the general public.



## STAFF DEVELOPMENT

The Institute has an active policy of investment in staff development to ensure that its staff remain at the cutting edge of the business in which it is engaged. In 2008, close on 4 per cent of the salaries budget was committed to staff development, not including the salaries of those undergoing development. The Institute's Performance Management and Development Scheme is a key driver of staff development policy. The staff development policy has increasingly been focused on generating case studies of best practice in public administration, which will be used in training and education programmes. Leaders in the public service have greatly facilitated the Institute in this work. Staff also attend various Institute-organised courses, conferences and seminars.

## STAFF MOVEMENTS 2008

### **Staff who joined in 2008 were:**

Catherine Behan, Kamila Brzozowska, Sean Carroll, Vanda Clayton, Theresa Keane, Angela Keegan, Kate Moloney, Monika Naprielalska, Elaine Phelan, Katarzyna (Kasia) Przeworska, Annette Quinn, Emer Ryan, Akeem Taiwo

### **Staff who left during 2008 were:**

Catherine Behan, Elizabeth Carroll, Naomi Feely, Maebh Fitzpatrick, Margaret Healy, Geraldine Hegarty (career break), Fiona Kane, Paul Lemass, Karla Lyons, Sorley McCaughey, Eimear Pender, Elaine Phelan, Annette Quinn, Bridgitta Quinn, Laura Sanchez, Martina Zavodska

# FINANCIAL PERFORMANCE



# FINANCIAL PERFORMANCE



The financial statements that follow set out in detail the financial operation of the Institute for the year. In summary, overall operating income was up slightly at €20.25m from €20.08m, while expenditure remained flat at €19.8m compared to €19.8m for 2007. Following a pension accounting standard (FRS17) actuarial adjustment of €0.8m to the IPA's pension costs in the income statement, an operating surplus of €435,000 is reported. In summary, the more difficult economic circumstances emerging in 2008 are reflected in the Institute's financial performance with static year-on-year income and expenditure. However, immediate mitigating actions to reduce the Institute's cost base have minimised the potential negative impact.

The Institute's earnings were made up of training and international services (48%) and education fee income (24%), research income (2%), publications and membership income (7%), and a grant-in-aid (19%) paid by the Department of Finance. Overall, year-on-year income remained steady as first-half-year increases were tempered by decreases in levels of activity in a more uncertain trading environment towards the latter half of 2008. The IPA's cost structure, on the other hand, was primarily governed by direct costs (which decreased in line with lower income), salary costs and debt servicing costs. Salary costs are governed by three factors, namely, the number of permanent staff employed, the national wage agreements and the Institute's obligations to the staff defined-benefit pension scheme. The main contributor to lower salary costs was reduced staff numbers as vacancies were not filled as a cost-saving measure. The financing costs for the long-term loan facility used in the purchase of Number 55 Lansdowne Road (acquired in



mid-2006) are based on inter-bank interest rates, and with the inter-bank credit crisis the cost remained high in 2008. However, this will significantly improve in 2009. Finally, with a strong focus on improving value for money across the Institute, all variable and fixed costs were reduced by an average of 2% during the year.

In common with many other organisations with defined pension schemes, the Institute is managing a sizeable deficit on its fund that arose due to the collapse of equity markets at the beginning of the decade. As a mitigating strategy, it has devised an investment plan to help it to manage the deficit over a twenty-year period. As a result of this strategy and despite the continued turmoil of equity markets during 2008, the Institute's pension fund performed comparatively well, standing at €20.7m, net of pensioner payments, at the year end. For 2008, the Institute's contribution to the pension fund on behalf of its employees was in excess of €2.3m and was again absorbed in its trading activities for the year.

In addition, to account for the above deficit and to satisfy its obligations under the generally accepted accounting practices (GAAP) for defined-benefit pension schemes (Financial Reporting Standard (FRS) 17), the Institute has an actuarial deficit of €€20.069m reflected in the balance sheet as a long-term liability. While there was an improvement in the actuarial estimate of the deficit (€3m) due to the higher value of long-term bonds, however, the loss in value of the pension fund in the amount of €7m resulted in the €4m deterioration in the balance sheet deficit position.

In overall financial management terms, the Institute had an operating surplus in the order of €488,000, of which €400,000 was transferred to its general reserve, leaving a net surplus of €88,000 towards ordinary activities. The €0.40m transfer will again go towards the funding costs of Number 55 Lansdowne Road.

## 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 IPA's financial management system was further developed during the year with enhanced management information system reporting facilities from the IPA's financial management system (FMS) being made available to all staff as appropriate, the embedding of the FMS business performance module (with electronic key performance indicator (KPI) metrics) and an automated invoice approval system. The other major IT system implemented in September 2007, a customer relationship management (CRM) system, was further enhanced during the year.

## FINANCIAL PROSPECTS FOR 2009

Given the emerging difficult economic trading conditions for all businesses for 2008, the Institute finances remained relatively strong. However, with significantly more difficult trading prospects predicted for 2009, the IPA will have to take serious steps to sustain its income base and reduce both its pay and non-pay cost structures. The 2009 budget objective is for lower income levels with concerted action to reduce both variable and fixed costs. Overall turnover is expected to be €18.9m (down 6% on 2008) with the objective of achieving a break-even budget.

## COMPLIANCE

The Institute complied with its financial, taxation and regulatory obligations during 2008 and continued to review and update its corporate governance structures.



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# DIRECTORS AND OTHER INFORMATION

## DIRECTORS

P. Furlong (retired July 2008)  
R. Molloy (appointed Chair July 2008)  
J. Tierney (appointed Vice-Chair July 2008)  
B. Carey (retired July 2008)  
M. Brady (appointed July 2008)  
C. Connolly (resigned February 2008)  
M. Cronin (appointed July 2008)  
J. Cullen  
S. Dorgan (retired July 2008)  
D. Dowling (appointed July 2008)  
M. Errity (appointed July 2008)  
R. Galavan (appointed July 2008)  
T. Geraghty (retired July 2008)  
C. Goan  
P. Hamill (resigned February 2008)  
C. Keane (appointed July 2008)  
A. Kennedy (retired July 2008)  
M. McDonald (appointed July 2008)  
M. McKnight (appointed July 2008)  
D. Mahon (retired July 2008)  
Professor J. A. Murray (retired July 2008)  
P. Nolan (appointed July 2008)  
O. O'Donnell (retired July 2008)  
J. O'Neill (appointed July 2008)  
E. O'Shea (appointed July 2008)  
Dr A. Reynolds-Feighan (retired July 2008)  
D. Ryan (resigned April 2008)  
F. Spillane (appointed July 2008)  
D. Thomas (appointed July 2008)

## AUDITORS

The Comptroller and Auditor General  
Dublin Castle  
Dublin 2

## SOLICITORS

O'Donnell Sweeney Eversheds Solicitors  
Earlsfort Terrace  
Dublin 2

## SECRETARY AND REGISTERED OFFICE

Dymphna Lynch  
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 2008

## 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 judgments 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 to enable them to ensure that the financial statements comply with the Companies Acts 1963 to 2007. 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 53.

## 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 2008 were the Administration Committee, the Audit Committee, and the Finance and Strategy Committee. On behalf of the Board, management carries out an annual review of business operational risks.



## RESEARCH AND DEVELOPMENT

7. The company is not involved in any capital 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,

Rody Molloy  
**Member of the Board**

Marie Brady  
**Member of the Board**

14 May 2009, Dublin



# REPORT OF THE COMPTROLLER AND AUDITOR GENERAL

I have audited the financial statements of the Institute of Public Administration for the year ended 31 December 2008 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 Balance Sheet, the Cash Flow Statement, the Statement of Total Recognised Gains and Losses and the related notes.

## RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE COMPTROLLER AND AUDITOR GENERAL

The Directors' responsibilities for preparing the financial statements in accordance with applicable law and Generally Accepted Accounting Practice in Ireland are set out in the Report of the Directors. The Directors are also responsible for ensuring the regularity of transactions.

My responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

I report my opinion as to whether the financial statements give a true and fair view, in accordance with Generally Accepted Accounting Practice in Ireland and are properly prepared in accordance with the Companies Acts 1963 to 2006. I also report whether in my opinion proper books of account have been kept by the Company; and whether the information given in the Report of the Directors is consistent with the financial statements. In addition, I state whether I have obtained all the information and explanations necessary for the purposes of my audit, and whether the financial statements are in agreement with the books of account.

I report any material instance where monies have not been applied for the purposes intended or where the transactions do not conform to the authorities governing them.

I review whether the Statement on Internal Financial Control reflects the Company's compliance with the Code of Practice for the Governance of State Bodies and report any material instance where it does not do so, or if the statement is misleading or inconsistent with other information of which I am aware from my audit of the financial statements. I am not required to consider whether the Statement on Internal Financial Control covers all financial risks and controls, or to form an opinion on the effectiveness of the risk and control procedures.

I read other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. I consider the implications for my report if I become aware of any apparent misstatements or material inconsistencies with the financial statements.

## BASIS OF AUDIT OPINION

In the exercise of my function as Comptroller and Auditor General, I conducted my audit of the financial statements in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board and by reference to the special considerations which attach to State bodies in relation to their management and operation. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures and regularity of the financial transactions included in the financial statements. It also includes an assessment of the significant estimates and judgments made in the preparation of the financial statements,

and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations that I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming my opinion I also evaluated the overall adequacy of the presentation of information in the financial statements.

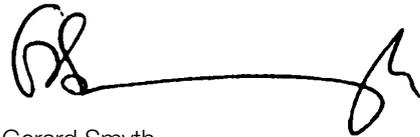
## OPINION

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 2008 and of its surplus for the year then ended; and
- have been properly prepared in accordance with the Companies Acts 1963 to 2006.

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 Report of the Directors is consistent with the financial statements.



Gerard Smyth

For and on behalf of the

COMPTROLLER AND AUDITOR GENERAL

18 May 2009

# 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 give only a reasonable and not absolute assurance against any material errors. The internal financial controls in operation within the Institute during 2008 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

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

There are expenditure limits applied rigorously to all levels of management. 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 Information Systems 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 2009, each business division will again be embedding its risk mitigation activities in its annual business plans. These business plans and the risk management activities are discussed by the Board on a half-yearly basis.

## (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.

In addition, there are a number of business support systems integrated into the financial management system (FMS). The IPA's Publications 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.

During 2008, the IPA's corporate governance procedures were updated by the Director of Finance and Information Systems to include a risk-based assessment of the IPA's financial control procedures. This update was reviewed and approved by the internal auditor.

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

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

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 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. A detailed audit programme is prepared half-yearly and approved by the Board through its Audit Committee. The Board Audit Committee reviews the audit reports prepared, with recommendations adopted as appropriate.

#### (E) ANNUAL REVIEW

An annual review of the Institute's internal financial controls in operation during 2008 was carried out. The Institute's Audit Committee reviewed the effectiveness of the internal financial control systems, with a formal report going to the Board in early 2009.

On behalf of the Board,



Rody Molloy  
CHAIRMAN



John Cullen  
DIRECTOR GENERAL

14 May 2009



# 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, comprising mainly fees and the State grant-in-aid, is included on a receivable basis with the exception of subscriptions, which are taken into income when received. Course fees are taken into the Statement of Income and Expenditure over 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 bases 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. Buildings are stated at the 1999 revaluation value. However, under the provisions of Financial Reporting Standard 15 'Tangible Fixed Assets', the Institute has retained certain land and buildings at the 1999 revaluation value, and has not updated that valuation.

## (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 RECEIPTS

Receipts relating to fixed assets are treated as deferred credits and are credited to 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

Pension scheme assets are measured at fair value. Pension scheme liabilities are measured on an actuarial basis using the projected unit method. Per the requirements of FRS 17, an excess of scheme liabilities over scheme assets is presented on the balance sheet as a liability. This does not affect the Institute's year-on-year trading position.

The pension charge in the Income and Expenditure Account comprises the current service cost and past service cost plus the difference between the expected return on scheme assets and the interest cost on the scheme liabilities.

Actuarial gains and losses arising from changes in actuarial assumptions and from experience surpluses and deficits are recognised in the statement of total recognised gains and losses for the year in which they occur.

# Financial Statements

## STATEMENT OF INCOME AND EXPENDITURE FOR THE YEAR ENDED 31 DECEMBER 2008

	Note	2008 €	2007 (Restated) €
<b>INCOME</b>			
Fee Income	1	14,680,134	15,179,778
Sale of Publications	2	1,363,806	1,091,366
Subscriptions		396,622	400,694
Vote 6 – Office of the Minister for Finance, Grant-in-Aid	3	3,804,000	3,409,000
		<b>20,244,562</b>	<b>20,080,838</b>
<b>LESS:</b>			
<b>OPERATING EXPENDITURE</b>			
Direct Costs	5	7,042,223	6,955,607
Salary Costs	6	9,776,298	9,835,756
Administration Expenses	7	2,677,671	2,668,660
Interest Payable and Similar Charges		260,157	330,427
		<b>19,756,349</b>	<b>19,790,450</b>
Operating Surplus for the Year		<b>488,213</b>	<b>290,388</b>

### Statement of Movements in Accumulated Surplus

Accumulated Surplus at 1 January 2008		1,840,716	1,810,328
Surplus for the Year		488,213	290,388
Transfer to General Reserve	14	(400,000)	(260,000)
Accumulated Surplus at 31 December 2008		<b>1,928,929</b>	<b>1,840,716</b>

The surplus for the year ended 31 December 2008 relates to continuing activities.

The accounting policies on page 52 and notes on pages 58 to 66 form part of these Financial Statements.



**Chairman of the Board**



**Member of the Board**

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# Financial Statements

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## STATEMENT OF INCOME AND EXPENDITURE FOR THE YEAR ENDED 31 DECEMBER 2008 (CONTINUED)

### Statement of Total Recognised Gains and Losses

Surplus for the Year		488,213	290,388
Actual Return less Expected Return on Scheme Assets		(9,163,000)	(1,796,000)
Experience Gains/Losses on Pension Scheme Liabilities		(1,627,000)	8,987,000
Changes in Assumptions in Present Value of Liabilities		6,389,000	–
Actuarial Gain/(Loss)	15	(4,401,000)	7,191,000
<b>Total Recognised Gains/(Losses) in the Year</b>		<b>(3,912,787)</b>	<b>7,481,388</b>

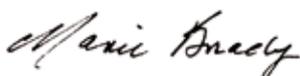
### MOVEMENT IN PENSION RESERVE

Balance at 1 January 2008		(17,308,000)	(24,499,000)
Actuarial (Loss)/Gain		(4,401,000)	7,191,000
<b>Balance at 31 December 2008</b>	<b>15</b>	<b>(21,709,000)</b>	<b>(17,308,000)</b>

The accounting policies on page 52 and notes on pages 58 to 66 form part of these Financial Statements.



**Chairman of the Board**



**Member of the Board**

# Financial Statements

## BALANCE SHEET AS AT 31 DECEMBER 2008

	Note	2008		2007 (Restated)	
		€	€	€	€
<b>FIXED ASSETS</b>					
Tangible Assets	9		18,507,565		19,161,590
<b>CURRENT ASSETS</b>					
Stocks	8	118,664		461,403	
Debtors	10	3,039,116		3,073,081	
Cash at Bank and in Hand		2,192,728		937,266	
		5,350,508		4,471,750	
<b>CREDITORS</b>					
Amounts Falling Due within One Year	11	5,380,806		4,562,298	
Net Current Assets/(Liabilities)			(30,298)		(90,548)
Total Assets less Current Liabilities			18,477,267		19,071,042
20-Year Mortgage Facility	11		(4,611,314)		(4,757,741)
Total Assets less Liabilities Excluding Pension Liability			(13,865,953)		(14,313,301)
Long-Term Pension Liability	15		(20,081,202)		(16,465,940)
Net Assets/(Liabilities) Including Pension Liability			(6,215,249)		(2,152,639)
<b>CAPITAL AND RESERVES</b>					
Reserves	14		11,852,747		11,452,747
Accumulated Surplus on Income and Expenditure Account			1,928,929		1,840,716
Capital Grants	13		1,712,075		1,861,898
Pension Reserve	15		(21,709,000)		(17,308,000)
			(6,215,249)		(2,152,639)

The accounting policies on page 52 and notes on pages 58 to 66 form part of these Financial Statements.



Chairman of the Board



Member of the Board

# Financial Statements

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2008

	2008		2007 (Restated)	
	€	€	€	€
<b>RECONCILIATION OF OPERATING SURPLUS TO NET CASH INFLOW FROM OPERATING ACTIVITIES</b>				
Operating Surplus/(Deficit)		488,213		290,388
Net Interest	260,157		330,427	
Depreciation	745,415		797,494	
Amortisation of Grants	(149,823)		(149,823)	
(Increase)/Decrease in Stock	342,739		(27,604)	
(Increase)/Decrease in Debtors	33,965		(1,005,092)	
Increase/(Decrease) in Creditors	818,508		339,556	
FRS 17/Actuarial Adjustment	(785,738)		(215,038)	
	1,265,223		69,920	
<b>Net Cash Inflow from Operating Activities</b>		<b>1,753,436</b>		<b>360,308</b>
<b>CASH FLOW STATEMENT</b>				
Net Cash Inflow from Operating Activities		1,753,436		360,308
<b>RETURN ON INVESTMENTS AND SERVICING OF FINANCE</b>				
Interest Paid		(260,157)		(330,427)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Payments to Acquire Tangible Fixed Assets	(119,112)		(329,733)	
Disposals	27,722		–	
		(91,390)		(329,733)

# Financial Statements

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2008

### CASH FLOWS FROM FINANCING ACTIVITIES

20-Year Mortgage Facility	(146,427)	(117,118)
	(146,427)	(117,118)
Increase/(Decrease) in Cash in Year	1,255,462	(416,970)

### RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

Increase/(Decrease) in Cash	1,255,462	(416,970)
(Increase)/Decrease 20-Year Mortgage Facility	146,427	117,118
Movement in Net Debt in Year	1,401,889	(299,852)
Net Funds/(Debt) at 1 January	(3,820,475)	(3,520,623)
Net Debt at 31 December	(2,418,586)	(3,820,475)

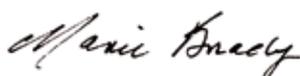
### ANALYSIS IN CHANGES IN NET FUNDS/(DEBT)

	At 31 December 2007	Cash Flows	At 31 December 2008
Cash in Hand/at Bank	937,266	1,255,462	2,192,728
20-Year Mortgage Facility	(4,757,741)	146,427	(4,611,314)
Total	(3,820,475)	1,401,889	(2,418,586)

The accounting policies on page 52 and notes on pages 58 to 66 form part of these Financial Statements.



Chairman of the Board



Member of the Board

# Financial Statements

## NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2008

	2008	2007 (Restated)
	€	€
<b>1. FEE INCOME</b>		
Training	9,686,911	10,495,968
Education	4,663,214	4,268,822
Research	330,009	414,988
	14,680,134	15,179,778

<b>2. SALE OF PUBLICATIONS</b>		
Income from IPA Publications	1,305,236	941,885
3rd Party Sales		
Income	71,114	173,121
Related Expenditure	(12,544)	(23,640)
	58,570	149,481
	1,363,806	1,091,366

The treatment of the 2009 *Administration Yearbook and Diary* advertising sales has been brought in line with the sales of the 2009 *Administration Yearbook and Diary* whereby all income is accounted in the current year (2008) rather than the year of the *Yearbook* (2009). The effect of this is to increase the opening 2007 Accumulated Surplus on Income and Expenditure Account by €180,169; to increase 2007 Publication sales by €24,076 and decrease 2008 Publication sales by €29,232.

### 3. GRANT-IN-AID

The total Grant-in-aid is €3,900,000 of which €96,000 went to Subscriptions.

### 4. OPERATING SURPLUS

The operating surplus is stated after charging or crediting:

(a) Directors' Emoluments: for management services	407,319	385,298
This figure refers to salaries, PRSI and pensions of whole-time staff who were members of the Board for the period 1 January 2008 to 31 December 2008.		
(b) Auditor's Remuneration	30,750	30,750
(c) Depreciation (Net of Disposals)	745,415	797,494
(d) Interest payable and similar charges (Institute has no charges)	–	–
Interest payable on sums repayable within five years	–	–
Interest payable on sums repayable over a period greater than five years	260,157	303,427
(e) Grant Credit	(149,823)	(149,823)
(f) Increase in Provision for Bad Debts	–	21,250

# Financial Statements

## NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2008

	2008	2007 (Restated)
	€	€
<b>5. ANALYSIS OF DIRECT COSTS</b>		
Training	3,485,010	3,983,775
Education	2,128,057	2,034,955
Publications	835,592	497,887
Research	25,671	31,098
General	567,893	407,892
	<b>7,042,223</b>	<b>6,955,607</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	56	60
Education	22	24
Publications	6	6
Research	6	6
General	26	22
	<b>116</b>	<b>118</b>

(b) The company's salary costs for all employees comprises:

Wages and Salaries	7,391,108	7,089,462
Pension Costs (Note 15)	1,600,000	2,010,000
Social Insurance Costs	785,190	736,294
	<b>9,776,298</b>	<b>9,835,756</b>

The pension charge of €1,600,000 is in line with the requirements of FRS 17. The cash payment for pensions was €2,385,738 in 2008.

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# Financial Statements

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## NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2008

2008  
€

2007  
(Restated)  
€

### 7. ANALYSIS OF ADMINISTRATION EXPENSES

Repairs, Cleaning, Maintenance	422,477	387,146
Depreciation less Capital Grants Amortised	603,064	647,671
Stationery and Photocopying	366,742	328,610
Light, Heat, Phone	212,314	215,168
Postage	167,164	161,633
Insurance	50,793	55,084
Corporate Affairs and Marketing	305,255	256,985
Staff Development	164,454	195,778
Staff Recruitment and Support Expenses	195,212	197,015
General	190,196	223,570
	<u>2,677,671</u>	<u>2,668,660</u>

### 8. STOCKS

Stationery and Books	<u>118,664</u>	<u>461,403</u>
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# Financial Statements

## NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2008

### 9. FIXED ASSETS TANGIBLE ASSETS

	Land and Buildings	Leasehold Premises	Office Machines	Furniture, Fittings, Equipment and Library Books	Total
	€	€	€	€	€
<b>COST OR VALUATION</b>					
At 1 January 2008					
Cost	12,816,811	87,716	1,989,326	2,156,622	17,050,475
Valuation 1975	177,763				177,763
Valuation 1999	7,382,114				7,382,114
	20,376,688	87,716	1,989,326	2,156,622	24,610,352
Additions	–	–	63,926	55,186	119,112
Disposals	(21,202)	–	(6,520)	–	(27,722)
At 31 December 2008	20,355,486	87,716	2,046,732	2,211,808	24,701,742
<b>DEPRECIATION</b>					
At 1 January 2008	2,397,495	87,716	1,537,642	1,425,908	5,448,762
Disposals	(952)	–	(6,520)	–	(7,472)
Charges for Year	408,037	–	193,787	151,063	752,887
At 31 December 2008	2,804,580	87,716	1,724,909	1,576,971	6,194,177
<b>NET BOOK VALUE</b>					
At 31 December 2008	17,550,906	NIL	321,823	634,837	18,507,565
<b>NET BOOK VALUE</b>					
At 31 December 2007	17,979,192	NIL	451,684	730,714	19,161,590

# Financial Statements

## NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2008

	2008	2007 (Restated)
	€	€
<b>10. DEBTORS AND PREPAYMENTS</b>		
Trade Debtors	3,024,116	2,997,178
Prepayments and Accrued Income	15,000	75,903
<small>(Trade Debtors is net of Bad Debts Provision of €60,000 (2007- €60,000)).</small>		
	<b>3,039,116</b>	<b>3,073,081</b>

### 11. CREDITORS AND ACCRUALS

#### (a) Amounts Falling Due within One Year

Trade Creditors	639,586	957,697
Deferred Fee Income	3,760,140	2,932,810
Sundry Creditors and Accruals	738,336	453,161
PAYE/PRSI	242,744	218,630
	<b>5,380,806</b>	<b>4,562,298</b>

#### (b) Long-Term Loan Facility

€5m 20-Year Variable Rate Facility	4,611,314	4,757,741
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### 12. SHORT-TERM INVESTMENTS

There were no short-term investment monies in 2008.

### 13. CAPITAL RECEIPTS

At 1 January 2008	1,861,898	2,011,721
Capital Receipts	–	–
Credit for Year	(149,823)	(149,823)
At 31 December 2008	<b>1,712,075</b>	<b>1,861,898</b>

# Financial Statements

## NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2008

### 14. RESERVES

	Capital Reserve €	Revenue Reserve €	Total €
At 1 January 2008	7,579,908	3,872,839	11,452,747
Transfer to General Reserve		400,000	400,000
At 31 December 2008	7,579,908	4,272,839	11,852,747

The Board in 1995 decided to transfer an annual sum to a General Reserve to meet the cost of planned future development at the Institute. For 2008, the General Reserve of €400,000 is being allocated to repay the loan monies required for the purchase of Number 55 Lansdowne Road.

### 15. PENSIONS

	Year to 31/12/08 €million	Year to 31/12/07 €million
a) Pension Costs		
Current Service Cost	1.0	1.5
Expected Return on Scheme Assets	(1.9)	(1.8)
Interest Cost	2.5	2.3
Net Charge	1.6	2.0
b i) Net Pension Liability		
Present Value of Funded Obligations	40.8	43.3
Fair Value of Scheme Assets	20.7	26.9
Net Liability (Asset)	20.1	16.4
b ii)		
Present Value of Scheme Obligations at Beginning of Year	43.3	49.8
Current Service Cost	1.0	1.5
Interest Cost	2.5	2.3
Actuarial (Gain)/Loss	(4.7)	(9.0)
Benefits Paid	(1.1)	(1.1)
Premiums Paid	(0.1)	(0.1)
Expenses Paid	(0.1)	(0.1)
Present Value of Scheme Obligations at End of Year	40.8	43.3

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# Financial Statements

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## NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2008

### 15. PENSIONS (CONTINUED)

#### b iii) Change in Scheme Assets

Fair Value of Scheme Assets at Beginning of Year	26.9	25.9
Expected Return on Scheme Assets	1.9	1.8
Actuarial Gain/(Loss)	(9.2)	(1.8)
Employer Contributions	2.3	2.2
Member Contributions	0.1	0.1
Benefits Paid from Plan	(1.1)	(1.1)
Expenses Paid	(0.1)	(0.1)
Premiums Paid	(0.1)	(0.1)
Fair Value of Scheme Assets at End of Year	20.7	26.9

The current practice of increasing pensions in line with public sector salary inflation is taken into account in measuring the defined-benefit obligation.

#### c) Description of Scheme and Actuarial Assumptions

The pension scheme is a defined-benefit final salary pension arrangement with benefits defined by reference to current 'model' public sector scheme regulations. Employer and employee contribution rates are set having regard to actuarial advice and periodic review on the funding rate required for the scheme. The scheme provides a pension (eightieths per year of service), a gratuity or lump sum (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 financial assumptions used for FRS17 purposes were:

	At Year-end 31/12/2008	At Year-end 31/12/2007
Rate of Increase in Salaries	3.50%	4.50%
Rate of Increase in Pensions in Payments	3.50%	4.00%
Rate of Increase in Pensions in Deferment	2.50%	2.50%
Discount Rate	5.70%	5.50%
Inflation	2.00%	2.50%

# Financial Statements

## NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2008

### 15. PENSIONS (CONTINUED)

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 2008.

	Male	Female
Member age 65 (current life expectancy)	20.7	23.8
Member age 45 (life expectancy at age 65)	21.8	24.8

The above mortality assumption is in line with the standard table allowing for projected improvements. The actuary has adopted the published mortality tables '85% PMA 2015', for existing pensioners and '85% PMA 2030' for future pensioners. The above assumptions are the same as those used in last year's disclosures.

The scheme assets (%) and the expected rate of return (%) were:

	At Year-end 31/12/2008	Expected Return %	At Year-end 31/12/2007 €m
Equities	60.0%	8.5	75.1%
Bonds	26.4%	3.5	17.5%
Property	6.3%	6.5	7.4%
Cash	7.3%	2.0	0.0
<b>Total Market Value of Assets</b>	<b>100.0%</b>		<b>100.0%</b>

#### Analysis of Amount Charged to Statement of Total Recognised Gains and Losses

	At Year-end 31/12/2008 €million	At Year-end 31/12/2007 €million
Actual Return less Expected Return on Assets		
Actual Return	(7.3)	–
Less: Expected Return	(1.9)	(1.8)
<b>Actuarial Gain/(Loss)</b>	<b>(9.2)</b>	<b>(1.8)</b>

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# Financial Statements

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## NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2008

### 15. PENSIONS (CONTINUED)

In developing the expected long-term rate of return on assets assumption, regard is had to the current level of expected returns on risk-free investments (primarily government bonds), the historical level of the risk premium associated with the other asset classes in which the portfolio is invested and the expectations for future returns of each asset class. The expected return for each asset class is then weighted based on the target asset allocation to develop the expected long-term rate on the target asset allocation to develop the expected long-term rate of return on asset assumption for the position.

#### d) History of Defined-Benefit Obligations, Assets and Experience Gains and Losses

	2008 €m	2007 €m	2006 €m	2005 €m
Defined-Benefit Obligations	40.814	43.294	49.781	45.708
Fair Value of Scheme Assets	20.745	26.893	25.910	22.333
Deficit (Surplus) for Funded Scheme	20.069	16.401	23.871	23.375
Experience (Gains)/Losses on Plan Liabilities				
Amount	1.627	(0.614)	4.072	1.215
Percentage of Scheme Liabilities	3.99%	(1.42%)	8.20%	2.70%

#### e) Funding of Pension

The IPA expects to contribute €2.2m to its pension scheme in 2009.

f) The information on pensions has been presented in line with new disclosure requirements required from 2008 under an amendment to FRS17.

### 16. BOARD MEMBERS' INTERESTS

The Board adopted procedures in accordance with the Code of Practice 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.

### 17. COMPARATIVE FIGURES

Where necessary, comparative figures have been restated on the same basis as current year figures.

### 18. APPROVAL OF FINANCIAL STATEMENTS

The Financial Statements were approved by the Board of the Institute on 14 May 2009.



# INSTITUTE SENIOR MANAGEMENT



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