

# ANNUAL REPORT 2016



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# FOREWORD

# FOREWORD

The Irish public service comprises a complex and multifaceted system employing many thousands of people who are responsible for delivering many different services to Irish citizens and communities on a daily basis throughout the country. Ensuring that our public service operates consistently to the highest standards is an ongoing challenge and often the subject of much debate. Since its establishment in 1957, the Institute of Public Administration has been the primary provider of education, research, training, capacity-building and support for public sector development and reform. Over the years, the IPA has sought to contribute to, and inform and debate on, the performance of our public service.

From its peak in 2008, the total number of people employed in the public service decreased from 320,000 to 294,000 in 2015, a drop of 8 per cent, though the overall numbers employed began to rise slightly in 2015 and 2016. The overall reduction in numbers employed has resulted in a smaller public service, at a time of a growing population and growing demand for services. This changing environment, and the new intake of public servants now occurring, presents capacity challenges for the public service that the IPA can help address.

More generally, public service reform efforts continue. In November 2011 the government published the *Public Service Reform Plan*. Then, in January 2014, the Department of Public Expenditure and Reform (DPER) announced a successor to this plan. The *Civil Service Renewal Plan* was also published in 2014. In 2015 a *Corporate Governance Standard for the Civil Service* was published. This standard will be used by each department and office to guide the development of their individual governance frameworks. In August 2016 a revised and updated *Code of Practice for the Governance of State Bodies* was launched. Two significant issues in 2016 were the piloting of a new model for conducting organisational capability reviews in the civil service, and the updating of risk management guidance for government departments and offices.

At local government level, city/county councils in Limerick, Tipperary and Waterford have been merged; eighty town councils have been abolished, replaced by a new system of municipal districts; and a National Oversight and Audit Commission has been established. The number of elected councillors has been reduced from 1,627 to around 950. The eight regional authorities and two regional assemblies have been replaced by three regional assemblies. Local government has taken on more of a role with regard to economic and social development.

The use of more open recruitment and more specialisation and professionalisation in the public service will continue. There will be more commissioning and contracting of services and greater use of shared services. With regard to competencies and skills, there is an increasing trend to move away from the more generalist public servant working in a relatively closed environment to more use of specialist staff. However, at the same time, traditional competencies and skills in areas such as policy analysis and human resource management have been re-emphasised.

The public sector is in transition, affected by many internal and external factors. The modernisation of the public sector ensures leaner and smarter organisations and more efficient processes to meet today's societal challenges. The IPA has worked with and supported staff from across many public service organisations to successfully achieve this transformation. In the 'State of the Public Service' research series the IPA provides evidence-informed research and commentary on key aspects of contemporary Irish public administration, including its organisational form systems, people and processes. These reports not only inform but challenge current thinking about how the Irish public service performs.

The strong relationship between the IPA and its public service stakeholders continues. The commitment of its staff to the core mission and purpose of the Institute to support the improvement and development of public administration represents a significant resource that will continue to serve the public service for many years to come.

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This changing environment, and the new intake of public servants now occurring, presents capacity challenges for the public service that the IPA can help address.

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*Martin O'Halloran*

**Martin O'Halloran**  
Chair



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# DIRECTOR GENERAL'S REPORT

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# DIRECTOR GENERAL'S REPORT

The annual report allows time for reflection on what the Institute has achieved in the last twelve months. It also provides an opportunity to acknowledge the high levels of professionalism and hard work of an excellent team of people with which I have the pleasure of working, under the guidance and support of the Chair and Board. It is important that we celebrate and acknowledge what overall has been a successful year.

New requirements are arising from new developments across the public service. Public sector reforms are characterised by consolidation and coordination. There is an emphasis on control of spending, the need to do more with less, joined-up government, closer integration of policy formulation and implementation, more flexible public service labour markets, greater use of technology, building and maintaining trust in public institutions, and accountability. There is a need to further develop skills in such areas as governance, leadership, management, communication, project management and human resource management. There is a significant focus on the professionalisation of the public sector. The IPA has developed an excellent reputation both nationally and internationally for providing education, training, research, publishing and capacity-building services and support for public sector development and reform.

The conferring ceremony for UCD-accredited programmes took place on 9 December 2016 when 778 graduates were conferred. An additional 432 students were presented with UCD certificates. In 2015/16 seven specialisms were offered on the Bachelor of Arts (Hons) and four on the Bachelor of Business Studies (Hons). In 2016 the IPA inaugurated the Professional Diploma in Human Rights and Equality, which it delivers in conjunction with the Irish Human Rights and Equality Commission. Over 250 students are enrolled on postgraduate programmes, where the IPA offers programmes up to doctorate level. In 2015/16, thirty-five students were enrolled on the Doctorate of Governance programme. In 2016 the Institute also continued to provide programmes to international students. Over forty students from US colleges participated in parliamentary internship programmes. Students from the Seychelles completed the MA in Leadership and Strategy, and over one hundred students from Nanchang University studied on the Diploma in Business Studies programme.

Our Research Unit provided support work for DPER with regard to public sector reform, and for local government review teams set up to examine local government boundary arrangements, as well as a major study for The Atlantic Philanthropies on their role in influencing government policy with regard to public sector reform. The team also completed a number of important reports during the year. Under the 'State of the Public Service' series, two reports were published in 2016:

- *Review of National Non-Commercial State Agencies in Ireland: 2010–2015;*
- *Public Sector Trends 2016.*

Under the 'Local Government' series, a further three reports were published in 2016:

- *Re-Shaping Local Government: Overview of Selected International Experience with Local Government Reorganisation, Mergers, Amalgamation and Coordination;*
- *Service Level Agreements and Key Performance Indicators: A Review of National and International Examples;*
- *Local and Regional Bodies in Ireland 2012–2016.*



*Paschal Donohoe, TD, Minister for Public Expenditure and Reform, speaking at the launch of the new Code of Practice for the Governance of State Bodies in the IPA, August 2016.*

During 2016 the work of the Publications Division focused on the implementation of a number of recommendations from a review by external experts in 2014. A small number of important texts were approved for publication in 2017. Four issues of the Institute's journal, *Administration*, were published throughout the year, and the journal was accepted for inclusion in Scopus, the world's largest database of peer-reviewed literature. *Ireland – A Directory 2017*, formerly the *Administration Yearbook & Diary*, was published in December and launched by the Minister for Social Protection, Leo Varadkar, TD.

The Institute provided a broad range of customised learning and development interventions, public courses and specialist services in the areas of public sector leadership and management, human resource management, governance, accounting, financial management, auditing and IT, including accredited programmes which lead to formal membership of professional bodies. During 2016 the Institute worked collaboratively with many of the government departments, local authorities and the state agency sector to design and deliver customised programmes, including Grade Development for CO, EO, HEO and AP Grades in the Civil Service; Leadership and Management Development; Governance; Financial Management; Risk Management; Administrative Law; and Human Resource Management. The Institute continued to offer programmes for formal membership of professional bodies, including the MIJ (Mediators' Institute of Ireland) and the CIPD (Chartered Institute of Personnel and Development), as well as accredited audit programmes with CIPFA (Chartered Institute of Public Finance and Accountancy). In partnership with the Local Government Management Agency, the Institute continued its mentoring role with the remaining cohort of local government graduates. Our Leadership Challenge Programme attracted a complement of twenty-one senior managers from all sectors of the public service, including central and local government, and the semi-state sectors.

The Governance Forum continued to evolve and expand in response to the many governance-related issues and challenges faced by members. The programme of events included the annual Good Governance Conference, which was held in March and addressed the theme of Governance Challenges in the Health Sector. The updated *Code of Practice for the Governance of State Bodies* was launched in August by the Minister for Public Expenditure and Reform, Paschal Donohoe, TD.

On the international front, several study programmes were organised throughout 2016. The Institute hosted a delegation from Bosnia-Herzegovina looking at the cooperation between Irish local government and community-based organisations in the area of economic development and reconciliation. A visit was also organised for delegates of the Civil Service Commission of Azerbaijan. This focused on learning how to develop and implement a learning and development strategy to support organisational change. In September the Institute designed and delivered a significant training programme for thirty-seven civil servants and public sector employees of middle to senior management level from the Republic of Taiwan. The Institute has also continued to act as the national contact point for the EU's 'Twinning' activities.

As noted in previous reports, corrective actions taken by the Board and implemented by staff have resulted in the stabilisation of Institute finances and staff numbers. A good financial performance was recorded for 2016. Four new staff members were also recruited. The IPA is privileged to have a highly talented, professional and committed staff, and a strong body of associates. The staff are vitally important in delivering on our mission and vision. We are committed to supporting our staff in their professional and personal development so as to allow them to excel in their work and deliver on the changing needs of the public service.

I would like to personally thank the Chair of the IPA Board and its members and all the IPA staff for their continued dedication and commitment to the work of the IPA.

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New requirements are arising from new developments across the public service.

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*Dr Marian O'Sullivan*

**Dr Marian O'Sullivan**  
Director General



# EDUCATION

# EDUCATION

The IPA is the primary specialist provider of education to the public service in Ireland. The education services of the IPA are particularly important at this time of renewal and change in the public service, and our programmes aim to provide specialist skills and knowledge, a broadly based understanding of public policy, analytical skills and the opportunity for progression from level 6 awards right up to level 10 on the National Framework of Qualifications. Our programmes are also designed to provide a flexible and personalised service so as to facilitate and support students who are working full-time. In that context the provision of online support for students has become particularly important. Throughout the recent economic recession the uptake on education programmes at the IPA has remained steady – indeed, with some growth at postgraduate level – and this trend continued for 2016.

In 2016 the Institute continued to provide services to international students. Over forty students from US colleges participated in parliamentary internship programmes, twenty-two students from the Seychelles studied on the MA in Leadership and Strategy programme, and over one hundred students from Nanchang University studied on the Diploma in Business Studies programme.

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Over 1,000 students were enrolled on our undergraduate programmes in 2016.

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*Pictured (l-r) at the 2016 IPA conferring ceremonies in Dublin Castle were Mr Martin O'Halloran, Chair, IPA Board; Ms Caroline Walsh, Diploma in Management; Mr Vincent Darcy, Diploma in Management; and Dr Marian O'Sullivan, Director General, IPA.*

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

Between 2001 and 2011 the IPA was a recognised college of the NUI. In 2011 the IPA became a recognised college of UCD. Students who enrolled on education programmes from September 2011 are eligible to receive UCD-accredited qualifications. The conferring ceremony for UCD-accredited programmes took place on 9 December 2016 when 778 graduates were conferred. An additional 432 students were presented with UCD certificates.

Over the academic year 2015/16, the Institute offered a suite of undergraduate and postgraduate programmes ranging from level 6 to level 10 of the National Framework of Qualifications.

## UNDERGRADUATE PROGRAMMES

The flagship programmes – the Bachelor of Arts (Hons) and the Bachelor of Business Studies (Hons) – were offered through three delivery methods: lectures at the IPA, lectures at regional centres and distance education/blended learning. In 2015/16 seven specialisms were offered on the Bachelor of Arts (Hons) and four on the Bachelor of Business Studies (Hons). The Institute also offered a wide range of certificate and diploma programmes ranging from Law to Computer Studies and from Local Government Management to Public Procurement. The Professional Diploma in Official Statistics for Policy Evaluation is a one-year programme offered in conjunction with the Central Statistics Office. In 2016 the IPA inaugurated the Professional Diploma in Human Rights and Equality, which it delivers in conjunction with the Irish Human Rights and Equality Commission. Fifty students enrolled on the programme. Overall, just over 1,000 students were enrolled on our undergraduate programmes in 2016.

## POSTGRADUATE PROGRAMMES

The Institute’s Master of Arts programmes have a common first year, which leads to an award of Postgraduate Diploma in Public Management. In year two, students progress to a choice of seven specialist areas. In 2016 the total number of students enrolled on Master of Arts programmes was 180.

The Master of Economic Science in Policy Analysis is a two-year programme with the award of Postgraduate Diploma in Policy Analysis at the end of the first year. Students study a range of policy-related subjects in the first year and they work on applied dissertations in the second year. In 2015/16 fifteen students enrolled on year one of the programme and seven students graduated in 2016 on completion of year two.

The Master of Science in Business and Management programme commenced in September 2011. This MSc is a two-year, part-time programme. The first graduates of the programme graduated in December 2013. A new intake of fifty-five students was enrolled on the programme in 2015/16.

The Professional Certificate in Governance is a one-year programme which was first offered in 2011. Sixty students were enrolled on the programme in 2015/16.

The Doctorate in Governance programme commenced in 2003, and the first graduates were conferred in 2006. Between 2003 and 2011 the Doctorate in Governance programme was jointly offered with Queen’s University Belfast. In 2011 the Institute embarked on a new arrangement to jointly offer the programme with UCD. The first graduate of the joint IPA-UCD doctorate was conferred in 2015. In 2015/16 thirty-five students were enrolled on the doctorate programme.



*Pictured (l-r) at the 2016 IPA conferring ceremonies in Dublin Castle were Barry Murphy, Bachelor of Business Studies (Hons); Grainne Stapleton, Bachelor of Business Studies (Hons); and Amanda Butler, Bachelor of Arts (Hons).*



**Dr Michael Mulreany**  
*Assistant Director General*



RESEARCH

# RESEARCH

The IPA has a small, full-time, dedicated team of staff undertaking applied research for government departments and other public sector bodies. The year 2016 saw the team increased with the appointment of a graduate recruit. Work-wise, there was the continuation of the IPA 'State of the Public Service' research series and the 'Local Government' research series. These initiatives track public service transformation and provide an evidence-informed perspective on public service change, facilitating key media contributions and other activities by the IPA. This is in line with the strategic objectives of developing an IPA 'voice' on key aspects of the transformation agenda, developing an IPA position on certain key aspects of change and building the IPA's reputation as a source of public sector reform expertise.

Under the 'State of the Public Service' series, two reports were published in 2016:

## Review of National Non-Commercial State Agencies in Ireland: 2010–2015

In this report, we examine changes in the landscape of national non-commercial agencies in Ireland. The role, performance and corporate governance of agencies have been major topics for discussion and debate in recent times, as has the number of agencies involved in public service provision. The Institute has been to the forefront in providing evidence to inform this debate, being the first to map the state agency landscape in 2005, and again in 2010. This study provides the latest update, and brings much needed evidence from national and international practice. The report is available for download at [http://www.ipa.ie/pdf/StateAgencies\\_Review.pdf](http://www.ipa.ie/pdf/StateAgencies_Review.pdf)

## Public Sector Trends 2016

This report examines trends in public sector development and is the seventh in our annual series. The intention is to help inform the debate on Ireland's public sector and its role in Irish society. Using data gathered from a number of sources, information on the size and cost of the public sector, the quality of public administration, efficiency and performance, and levels of trust and confidence is presented in a simple but rigorous manner. This report is available for download at <http://www.ipa.ie/pdf/PublicSectorTrends2016.pdf>

Under the 'Local Government' series a further three reports were published in 2016:

## Re-Shaping Local Government: Overview of Selected International Experience with Local Government Reorganisation, Mergers, Amalgamation and Coordination

This study looks at international trends in, and examples of, local government amalgamation, merger and coordination. The report notes that in considering the implications of international trends in the structuring of local government, particularities of Irish local government should be borne in mind. It is not a case of simplistically transferring practice from one jurisdiction to another, but more of identifying lessons learned and considering if and how such experiences might support Irish reform efforts. This report is available for download at <http://www.ipa.ie/pdf/IPA%20LGR%2010%20web.pdf>

## Service Level Agreements and Key Performance Indicators: A Review of National and International Examples

Service level agreements (SLAs) are a growing feature of the work of local authorities, both internally and externally with contracting organisations. Key performance indicators (KPIs) are increasingly being used in the review process of service level agreements or service contracts as a means of gauging progress. In this report the use of key performance indicators at the review stage of service level agreements is examined through a number of good-practice examples.



## Local and Regional Bodies in Ireland 2012–2016

Irish government has undergone substantial reform in the last number of years at local, regional and national level. This report focuses on local and regional governance, identifying the main changes to local and regional non-commercial public bodies that have occurred between 2012 and 2016, building on previous reports published by the IPA in 2007 and 2013. The report is available for download at [http://www.ipa.ie/pdf/LocalandRegionalBodiesinIreland\\_2012\\_2016.pdf](http://www.ipa.ie/pdf/LocalandRegionalBodiesinIreland_2012_2016.pdf)

## Other areas of work undertaken by the research team in 2016 included:

- Support work for DPER with regard to public sector reform. This included the provision of advice on reform initiatives, and the development of a case study on organisational change, produced as part of a DPER initiative in the development of case studies of reform.
- Support work for local government review teams set up to examine local government town boundary arrangements in Athlone, Carlow, Drogheda and Waterford, and for an advisory group re-examining the Cork local government review.
- A major study for The Atlantic Philanthropies on their role in influencing government policy with regard to public sector reform. An interim report was published in 2016 and is available for download at <http://www.atlanticphilanthropies.org/case-studies/philanthropy-working-with-government-a-case-study>.
- Delivery of the Certificate and Diploma in Civil Service and State Agency Studies.
- Editorship of the Institute's journal, *Administration*, four issues of which are delivered each year. The editorial advisory committee of the journal, which includes prominent academics with a public management and politics background, meets once a year.
- Publication of two editions of *Local Authority Times* and the *EU News Bulletin* as part of an information service to local authorities throughout the year.
- Contributions to IPA Education & Training programmes, and acting as thesis supervisors and markers on postgraduate programmes.
- Contributions to IPA Publications Division through involvement in *Ireland – A Directory*, journals and books.
- Academic publications in international journals and contributions to international books on public management.

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Irish government has undergone substantial reform in the last number of years at local, regional and national level.

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**Dr Richard Boyle**  
Head of Research, Publishing  
and Corporate Relations

# TRAINING & DEVELOPMENT



# TRAINING & DEVELOPMENT

The Institute provides a broad range of customised learning and development interventions, public courses and specialist services in the areas of public sector leadership and management, human resource management, governance, accounting, financial management, auditing and IT, including accredited programmes which lead to formal membership of professional bodies. During 2016 the Institute worked collaboratively with many government departments, local authorities, state and educational bodies and agencies, and the not-for-profit sector to design and deliver customised programmes, including Grade Development for CO, EO, HEO and AP Grades in the Civil Service; Leadership and Management Development; Governance; Financial Management; Risk Management; Audit and Assurance; IT; Project Management; Administrative Law; and Human Resource Management.

The Institute continued to offer programmes for formal membership of professional bodies, including the MII (Mediators' Institute of Ireland) and the CIPD (Chartered Institute of Personnel and Development), as well as accredited audit programmes with CIPFA (Chartered Institute of Public Finance and Accountancy). Our established programme on workplace mediation, accredited by the MII, continued to attract strong numbers. The CIPD Foundation Level Certificate in HR Practice began its seventh run at the end of 2016, with the CIPD Foundation Level Diploma continuing to offer a follow-on pathway for those completing the certificate programme. The CIPD Foundation Level Diploma in Learning and Development Practice entered its fourth year of delivery at the end of 2016 as a follow-on pathway for those completing the CIPD Foundation Level Certificate programme that began in 2015. The CPD seminar series for public sector accountants and finance professionals, offered in conjunction with the professional accountancy body ACCA (Association of Chartered Certified Accountants), continued to build on the success of previous years with further events in 2016, including a very successful Budgetary Oversight and Reform event in September, involving expert contributions from the OECD and the UK Office for Budget Responsibility.

In partnership with the Local Government Management Agency, the Institute continued its mentoring role with the remaining cohort of local government graduates. The focus in year two of the graduate programme, which commenced in May 2015, included mentoring graduates to secure professional accreditation with a number of recognised, relevant professional bodies.

Aimed at senior public servants and designed to develop leadership capacity, our Leadership Challenge Programme attracted a complement of twenty-one senior managers from all sectors of the public service, including central and local government, and the semi-state sectors. This programme is delivered in conjunction with Cambridge Leadership Associates, Massachusetts, USA, incorporating senior faculty from the John F. Kennedy School of Government at Harvard University and faculty from the Warwick Business School, University of Warwick, UK. Senior leaders have the opportunity to work through an adaptive leadership approach to organisational change, make progress on current and future leadership challenges and strategic issues, develop insights into their practices and skills of leadership, and engage actively in individual coaching, using 360 leadership competency instruments.

Forty-eight senior managers with administrative and technical roles from twenty-three local authorities participated in the Leadership in Local Government Programme, delivered in spring and autumn in partnership with senior faculty from Warwick Business School and senior practitioners in the local government system. The four-module, residential programme is focused on delivering public value through adaptive leadership combined with an action-learning approach to participants' leadership challenges. Participants are immersed in varied activities, teaching styles and learning approaches, have extensive peer-to-peer learning opportunities and have access to senior leaders from across the public service to widen their perspectives, understand the current nature of the leadership challenge in their sector, and seek advice and guidance on future career opportunities and challenges.

The Governance Forum continued to evolve and expand in response to the many governance-related issues and challenges faced by forum members. The calendar of events covered many contemporary issues in governance, and key themes included The Changing Economic Environment and the Implications for the Governance of Organisations; Governance Challenges in the Health Sector; Roles and Responsibilities of Board Members; Board Reviews and Enhancing Board Effectiveness; Communications in a Changing Environment; Finance for Board Members; Strategy in the Public Interest; Risk Management Best Practice; and Audit Committees and Rising Expectations. In addition to the programme of events, two special round-table events for board secretaries and chairpersons of audit committees were also convened, and provided relevant and practical advice and an overview of contemporary developments in these key governance areas.



The programme of events included the annual Good Governance Conference, which was held in March and addressed the main theme of Governance Challenges in the Health Sector. The conference themes included priorities, performance and accountability, with contributions from Jim Breslin, Secretary General, Department of Health; John Matheson, Head of Finance in the Scottish Health Service; Professor Anthony Staines, Dublin City University; and Colette Cowan, CEO, University of Limerick Hospital Group.

The Governance Team were actively involved in leading briefings and providing expert inputs and advice relating to the updated *Code of Practice for the Governance of State Bodies*, which was launched in August by the Minister for Public Expenditure and Reform, Paschal Donohoe, TD. The team also worked with DPER in the provision of events and briefings on the *Corporate Governance Standard for the Civil Service*, and in follow-up guidance and support to individual departments.

The Governance Team and specialist units also assisted organisations with independent reviews of compliance with legal, regulatory and governance obligations, board effectiveness reviews, implementation of risk-management systems, board and board committee evaluation, competency assessments and related services, as well as advice on varied public and state sector governance issues. The advisory and consultancy services included significant assignments embedding risk and business planning arrangements in government departments and significant organisational development and change projects. Our offerings in the IT area continued to evolve, with end-user training, social media and cybersecurity in demand. The team continued to support selected modules on the UCD-accredited computer programmes, with students attending classes and utilising the IPA computing facilities.

In summary, Institute specialists continued to support a wide range of organisations undergoing change as part of the general reform process, including organisations in central and local government, semi-state sector agencies and public interest bodies, in the form of short learning and development interventions, expert advice, consultancy support and executive coaching.

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The Governance Forum continued to evolve and expand in response to the many governance-related issues and challenges faced by forum members.

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**Teresa Casserly**  
*Director, Leadership and Management, and International Services*



**Aidan Horan**  
*Director, Governance, Human Resources, Information Technology and Finance Services*



# INTERNATIONAL SERVICES

# INTERNATIONAL SERVICES

During 2016 the International Services Unit continued to play a strategic role in sourcing work opportunities abroad and in raising the global profile of the Institute.

Several study programmes were organised throughout 2016, with the Institute hosting visits from foreign civil servants and public sector managers aimed at offering an opportunity to learn from the recent Irish public sector reform and other key areas of public administration through peer-to-peer exchanges. In particular, the Institute hosted a delegation from Bosnia-Herzegovina looking at the cooperation between Irish local government and community-based organisations in the area of economic development and reconciliation. A visit was also organised for delegates of the Civil Service Commission of Azerbaijan, focused on learning how to develop and implement a learning and development strategy to support organisational change.

International tendering activity for new projects took place throughout the year, with some key contracts awarded. A significant EU-funded programme of support to the nascent democratic dispensation in Myanmar was won as part of a wide consortium led by the German consultancy GOPA. This will entail the delivery in 2017 of various technical assistance inputs in areas such as rationalisation of public administration, training and development of strategic economic plans. Furthermore, the Institute was awarded a small assignment in a programme of support to the Government of Armenia, funded by the World Bank, providing assistance in developing a distance-learning training programme for middle and senior managers.

The central achievement for 2016 nevertheless remains the delivery of the former European Affairs Programme that had been supported by the Department of Foreign Affairs since 2004 but had been abolished in 2008 as part of the budgetary cuts imposed by the economic downturn. Thanks to a continuous dialogue with the department throughout the consolidation period, it became possible to re-establish the programme in 2015 and focus on supporting countries engaged in the EU enlargement process. For the 2016/2017 programme, the following activities were carried out: two study visits were organised for a dozen senior officials from central administration in Serbia, looking separately at the Irish system of government coordination and public policymaking in the field of EU relations and economic development, and at the financial management and audit of programmes funded by the EU. Equally, a dedicated leadership and change management training programme will be conducted in 2017 for selected middle to senior public sector managers of the Government of Montenegro as part of their overall reform programme. A final study tour will also take place in 2017 for selected officials from Bosnia on the topic of competency framework and performance management for civil servants.

In September the IPA designed and delivered a significant training programme for thirty-seven civil servants and public sector employees of middle to senior management level from the Republic of Taiwan. This two-week programme provided the participants with concrete development and learning opportunities, including insights into managerial areas such as performance management, coaching and motivation, and team-building combined with an exposure to Ireland's public administration structure (including decision-making processes), the public sector reform programme, the competitiveness and innovation agenda, enterprise development and FDI, and engagement with diaspora.

Concurrently, the Institute has continued to act as the national contact point for the EU's 'Twinning' activities since 1999. Twinning has remained an important pre-accession instrument, which is now available for all candidate and pre-candidate countries.

The Institute also maintained its participation within the network of Directors of Institutes and Schools of Public Administration (DISPA) and attended meetings of the OECD Forum of Schools of Governance and Public Administration.

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



*Pictured (l-r) at a garden party to welcome a Taiwan delegation to the IPA and Ireland for a two-week study visit on management development training for senior civil servants were Kate Hsu (Director) and Jih-Fei Hsieh (Executive Officer) of the Civil Service Protection and Training Commission, Taiwan, with Nicolas Marcoux (Head) and Teresa Casserly (Director) of the IPA's International Services Unit.*



**Teresa Casserly**  
*Director, Leadership  
and Management,  
and International Services*



# LIBRARY & INFORMATION SERVICES

# LIBRARY & INFORMATION SERVICES

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

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

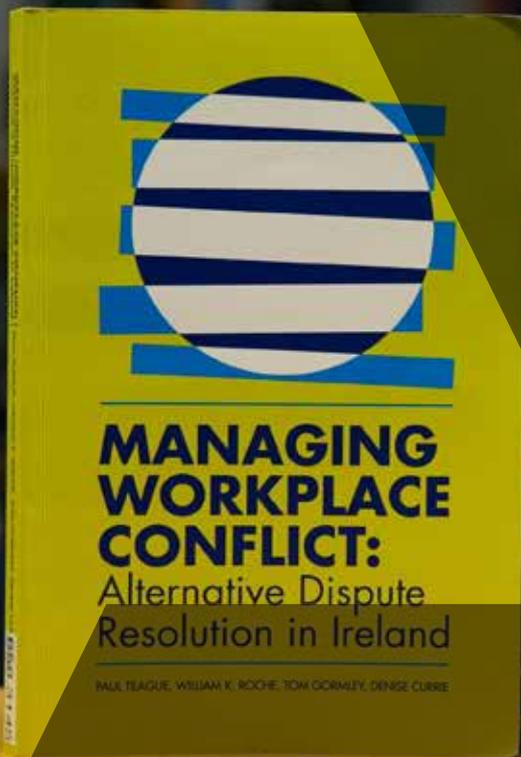
The aim of the Library is to provide the right information and resources in the most appropriate format and in a timely manner to a diverse and geographically dispersed range of clients. Reading rooms are available for study, for consulting and borrowing books, and for accessing electronic resources.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

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



**Patricia Trotter**  
*Librarian*

# PUBLISHING



# PUBLISHING

The work of the Publications Division, as a part of the Whitaker School of Government and Management, links with the wider education and research activities of the Institute, and provides an important knowledge and information base to inform the practice of public administration.

The year 2016 saw the second year of the implementation of the findings of a review of publishing activity that was completed by a group of external experts in 2014. This review made a number of recommendations to enhance publishing activity.

## BOOKS PUBLISHED

In line with the revised publishing strategy, the Institute's Book Publishing Committee continued their review of publishing activity and decision to concentrate on the production of a smaller number of important texts. Accordingly, a small number of texts were approved in 2016, which are due for publication in 2017/18. These include:

- *Irish Education: History and Structure*, by Professor John Coolahan. This text was last published in 1981 and is still in demand. Professor Coolahan has agreed to update the text, with a new section to cover developments from the 1980s to the present day.
- *The Judiciary*. This is a major edited work, with contributions from a number of eminent judges and legal academics and experts. It is intended as a complementary volume to books published by the Institute on the legislative and executive branches, to cover the three pillars of the state.
- *Ireland's Regional Technical Colleges*, by Richard Thorn. This book addresses the history and development of regional technical colleges in Ireland. There is currently no text on the development of this important strand of public administration in the education sector.
- *Directory of Irish Parliamentarians*, by Tony White. This ambitious volume, to mark the centenary of the first general election to Dáil Éireann in December 1918 and the first meeting of the Dáil in January 1919, aims to provide short biographies of all the individuals who to date have been members of the Dáil and Seanad, or both, and who have been among the most significant contributors to the first century of the Irish state.

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

- *Review of National Non-Commercial State Agencies in Ireland: 2010–2015*;
- *Public Sector Trends 2016*;
- *Re-Shaping Local Government: Overview of Selected International Experience with Local Government Reorganisation, Mergers, Amalgamation and Coordination*;
- *Local and Regional Bodies in Ireland 2012–2016*;
- *Philanthropy Working with Government: A Case Study of The Atlantic Philanthropies' Partnership with the Irish Government*.



## IRELAND – A DIRECTORY

*Ireland – A Directory 2017*, formerly the *Administration Yearbook & Diary*, was published in December. The Directory was launched by the Minister for Social Protection, Leo Varadkar, TD. Speaking at the launch, he said: '*Ireland – A Directory 2017* is a publication rich in detail – personnel listings take you inside public and private sector organisations in a way that is not achieved by any other resource. Congratulations are due to the IPA, which is publishing this volume for the fifty-first year in a row. Over that time, Ireland has evolved extensively – and that change is in turn reflected in the extensively updated content of this and every edition.'

## ADMINISTRATION JOURNAL

Four issues of the Institute's journal, *Administration*, were published throughout the year. These included a review of the public sector in 2015, a special issue on the organisation and management of social care in Ireland, and a mini-symposium on the *National Spatial Strategy*. In line with the publishing strategy, and the Board's wishes that the journal be open access, the Institute continued the development of an online platform in an agreement with De Gruyter Open. All issues and articles from volume 63 onwards are now freely available online: [www.degruyter.com/view/j/admin](http://www.degruyter.com/view/j/admin)

In 2016 *Administration* was successfully evaluated for inclusion in Scopus, which is the world's largest database of peer-reviewed literature and an important incentive for academics looking to publish in ranking journals.

## PUBLISHING CONSULTANCY

The Publications Division continued to offer its expertise in the production and management of publishing projects on behalf of other public sector organisations. Volume X of *Documents on Irish Foreign Policy* was published on behalf of the Royal Irish Academy. *The Irish Probation Journal* was produced on behalf of The Probation Service and the Probation Board for Northern Ireland (North/South publication).

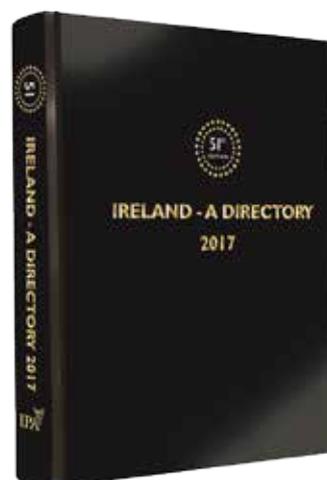
## Dr Richard Boyle

Head of Research, Publishing and Corporate Relations

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*Administration* was successfully evaluated for inclusion in Scopus, the world's largest database of peer-reviewed literature.

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# AWARDS & PRIZE WINNERS

# AWARDS & PRIZE WINNERS

A total of 778 students were the recipients of diplomas, bachelor degrees and postgraduate degrees during 2016. The conferring ceremonies took place in Dublin Castle on Friday, 9 December 2016. The prizes awarded were as follows:

## Bachelor of Arts (Hons) (Healthcare Management)

First Place: **Gerard Bowe**

## Bachelor of Arts (Hons) (Human Resource Management)

First Place: **Geraldine Murphy**

## Bachelor of Arts (Hons) (IT Management)

Joint First Place: **Therese O'Hanlon, Brian Scannell**

## Bachelor of Arts (Hons) (Law and the Administration of Justice)

Joint First Place: **David Carolan, Deirdre McInerney**

## Bachelor of Arts (Hons) (Local Government)

First Place: **James Hayes**

## Bachelor of Arts (Hons) (Management)

First Place: **Barry Walsh**

## Bachelor of Arts (Hons) (Public Management)

First Place: **Desmond Cullen**

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

First Place: **Theresa O'Connell**

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

First Place: **Barry Murphy**

## Bachelor of Business Studies (Hons) (Marketing)

First Place: **Christina Clancy**

## Diploma in Public Management

First Place: **Louise Fagan**

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

First Place: **Patrick Boland**

## Whitaker School of Government and Management Undergraduate Student of the Year 2016

**Patrick Boland**

## Master of Arts (Financial Management)

First Place: **Brian O'Domhnaill**

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778 students were the recipients of diplomas, bachelor degrees and postgraduate degrees during 2016.

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**Master of Arts (Healthcare Management)**

First Place: **Cillian Willis**

**Master of Arts (Human Resource Management)**

First Place: **Daniel Cooney**

**Master of Arts (Leadership and Strategy)**

First Place: **Martin McLoughlin**

**Master of Arts (Local Government Management)**

First Place: **Mary Flynn**

**Master of Arts (Public Management)**

First Place: **Deirdre O'Byrne**

**Master of Economic Science in Policy Analysis**

First Place: **Brendan MacNamara**

**Master of Science in Business and Management  
(Financial Management)**

First Place: **Emer Dalton**

**Master of Science in Business and Management  
(Human Resource Management)**

First Place: **Anna Caffrey**

**Postgraduate Diploma in Policy Analysis**

First Place: **Conor McGrath**

**Postgraduate Diploma in Public Management**

First Place: **Robert Stapleton**

**Professional Certificate in Governance**

First Place: **Aileen Healy**

**Whitaker School of Government and Management  
Postgraduate Student of the Year 2016**

**Brendan MacNamara**



*Pictured at the 2016 IPA conferring ceremonies in Dublin Castle were Siobhan Dowling, Bachelor of Arts (Hons) (Healthcare Management), and her daughter Grace.*

### Professional Diploma in Housing Studies

First Place: **Patrick Brennan**

### Professional Diploma in Official Statistics for Policy Evaluation

First Place: **Derмот O'Leary**

### Professional Diploma in Project Management

First Place: **Grainne Cawley**

### Diploma in Business Studies

First Place: **Michael Canavan**

### Diploma in Computer Studies

First Place: **Michael Scullion**

### Diploma in Health Economics

First Place: **Bill Walsh**

### Diploma in Healthcare Management

First Place: **Mary Molloy**

### Diploma in Human Resource Management

First Place: **Edel Mahony**

### Diploma in Law

First Place: **Elizabeth Lyne**

### Diploma in Local Government Studies

Joint First Place: **Helen Geoghegan, Cora Gunter**

### Diploma in Management

First Place: **Dervla Kenny**

### Diploma in Project Management

First Place: **Julie Anne McCaldin**

### Diploma in Public Procurement

First Place: **Clive Hugh**



# OUTREACH

# OUTREACH

As noted in previous annual reports, the Institute is the body dedicated to developing the profession of public service. Consequently, the expertise of its staff is constantly called upon in ways other than through the direct provision of services.

Over the years, IPA specialist staff have been nominated to and co-opted onto a range of boards, governing bodies and committees within the state and wider public sector as independent non-executive members and chairpersons. These roles continued in 2016 and included positions on audit and risk committees within central and local government, and regulatory and state bodies and agencies. IPA staff also chaired and contributed to expert committees within local government on areas such as boundary reviews, procurement, shared services and governance arrangements. The Director General is a member of a number of European networks of heads of schools and institutes of public administration in the EU.

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

During 2016 the Institute hosted a number of morning seminars to promote dialogue and debate amongst senior civil and public servants on key topics.

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The expertise of IPA staff is constantly called upon in ways other than through the direct provision of services.

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# INSTITUTE GOVERNANCE & ADMINISTRATION

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# INSTITUTE GOVERNANCE & ADMINISTRATION

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

It is governed by a Board – under the current chairmanship of Martin O’Halloran (Chief Executive of the Health and Safety Authority) – 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 meetings (generally monthly) and three standing Board subcommittees, namely the Finance and Strategy Committee, which deals with strategic financial management issues, including capital works; the Administration Committee, which monitors day-to-day operating performance, human resource issues, etc., and meets only as needed; and the Audit Committee, which deals with audit, risk assessment and governance matters. In addition, there is an Education Committee, which advises on and monitors educational issues including qualifications and courses, and a Book Publishing Committee, which advises on publications strategy.

The Institute President presides at the annual general meeting (AGM) and has the support of a number of vice-presidents. The Institute’s President for 2016 was Ms Geraldine Tallon, a retired Secretary General of the Department of the Environment, Community and Local Government. The names of the honorary officers, Board members and Board subcommittee members are contained on the inside front cover of this annual report.



**Dr Cyril Sullivan**  
*Director of Finance and Support Services,  
and Company Secretary*

## REPORT OF THE CHAIRMAN OF THE AUDIT COMMITTEE

### Raymond Dolan reports:

The committee met three times during 2016. It carried out its role of supporting the Board in meeting its corporate governance responsibilities. Activities during the year included reviewing the annual Financial Statements, internal financial controls and the corporate risk register; monitoring compliance with the 2016 version of the *Code of Practice for the Governance of State Bodies*; overseeing the internal auditor’s programme; and ensuring compliance with all other relevant obligations. It also met with the representative of the Institute’s auditors – the Comptroller and Auditor General.

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

### Martin O’Halloran reports:

The committee met on one occasion during the year. With the Institute’s financial position continuing to stabilise following the challenging economic trading downturn, the committee did not need to meet as often during 2016. The committee approved the 2016 forecast out-turn and the 2017 budget on behalf of the Board.

## REPORT OF THE CHAIRMAN OF THE ADMINISTRATION COMMITTEE

### Martin O’Halloran reports:

As this committee only meets on an as-needed basis and as there were no significant staff-related matters during the year, the committee did not meet.

## MEMBERSHIP

The Institute is the professional body for public servants. It caters for those in the civil service, local authorities, health service, state-sponsored bodies, education sector, Garda Síochána and the defence forces. Members are kept abreast of current public management issues through access to special briefings, an e-newsletter and the journal *Administration*, and enjoy discounts on publications and other services. Members are consulted on current public management issues and future IPA service provision, and thereby contribute to the professional development of the Institute. There are currently 54 corporate members of the Institute and 1,800 individual members, incorporating both students and interested members of the general public.

## BOARD ATTENDANCE 2016 – 7 MEETINGS HELD

Name	Number of Meetings Attended	Notes
Elizabeth Adams	5	
Mark Callanan	5	
Raymond Dolan	4	
Lucy Fallon-Byrne	1	Appointed December 2016
David Feeney	4	Retired August 2016
Pat Gallagher	4	Appointed June 2016
Owen Keegan	1	Retired June 2016
Connie Kelleher	1	
Paul Lemass	5	
Fergal Lynch	4	Appointed June 2016
Stephen Mulvaney	2	Appointed June 2016
Niamh O'Donoghue (Chair)	2	Retired June 2016
Martin O'Halloran (Chair)	7	Appointed Chair June 2016
Siobhan O'Halloran	2	
Caroline O'Regan	0	Retired April 2016
Marian O'Sullivan	7	
Colin Scott	4	Retired December 2016
Julie Sinnamon	3	Retired June 2016

## AUDIT COMMITTEE ATTENDANCE 2016 – 3 MEETINGS HELD

Name	Number of Meetings Attended	Notes
Elizabeth Adams	1	Appointed June 2016
Raymond Dolan (Chair)	2	
Connie Kelleher	1	
Fergal Lynch	1	Appointed June 2016
Siobhan O'Halloran	1	
Colin Scott	2	Retired December 2016

## FINANCE & STRATEGY COMMITTEE ATTENDANCE 2016 – 1 MEETING HELD

Name	Number of Meetings Attended	Notes
Mark Callanan	1	
Pat Gallagher	1	Appointed June 2016
Paul Lemass	1	
Fergal Lynch	1	Appointed June 2016
Stephen Mulvaney	1	Appointed June 2016
Martin O'Halloran (Chair)	1	
Marian O'Sullivan	1	

There were no meetings of the IPA's Administration Committee during 2016.

## HUMAN RESOURCES MANAGEMENT

The year 2016 was the first year of growth in IPA staff numbers since the recession.

The IPA's Workforce Plan, which was introduced in 2015, considers medium-term staffing requirements and specialist expertise required to meet new demands and challenges facing the Institute's clients. Work continued in recruitment and developing expertise. Four new staff were recruited: one new graduate intern in the Research Division, one grade 4 specialist in the Local Authority Section and two new staff members in IT and the Training and Education Centre. A small number of administrative staff were recruited on a temporary basis. Two staff members retired.

One staff member was conferred with a doctorate and a number of staff continued their undergraduate and postgraduate academic studies. Staff were encouraged and supported to attend relevant conferences, seminars and in-house courses as appropriate.

Work continued on updating HR policies and the *Staff Handbook* to reflect the changes in public sector policies and adherence to best practice.

Secretarial services were provided by HR staff to the Network for Corporate Services in State Agencies and the Ombudsman Forum.



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# FINANCIAL PERFORMANCE

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# FINANCIAL PERFORMANCE

The Financial Statements that follow set out in detail the financial operation of the Institute for the year. There was an easing of the trading difficulties previously experienced by the Institute, resulting in a further stabilising of its finances during 2016. Compared with 2015, operating income improved slightly at €11.9m from €11.0m. The Institute generated a break-even outturn for the year, compared with a small surplus in 2015.

The Institute's earnings were made up of training and international services (31%), education fee income (37%), research income (3%), publications and membership income (3%), release of capital grants (3%) and a block grant (23%) paid by the Department of Public Expenditure and Reform. Overall, the year-on-year increase in income is directly related to increases in levels of activity in the ongoing challenging trading environment, particularly in the area of postgraduate enrolments. The IPA's cost structure, on the other hand, was primarily governed by direct and indirect costs, salary costs and debt-servicing costs.

While the Institute has successfully reduced its non-pay costs since 2008, the key determinant for the good performance in 2016 was increased turnover with a relative containment of the IPA's cost base. The Institute's direct costs (or costs that are incurred in the running of its education and training programmes) increased during 2016 (due to the increased levels of activity), while salary costs increased slightly (due in the main to the IPA recommencing recruitment in a small way).

As the IPA now operates the pension scheme on behalf of the Exchequer, the annual pension contribution is treated as a 'contribution to the Exchequer' in the Financial Statements. This contribution remained more or less at 2015 levels, at €1.485m. The level of employer pension contribution continues as before (at 34.6% of salaries) following the fund transfer to the National Pension Reserve Fund.

The financing costs for the long-term loan facility used in the purchase of No. 55, Lansdowne Road (acquired in mid 2006), are based on European Central Bank interbank interest rates, which continued at a low base during 2016. This resulted in a full-year interest charge of €19,798, down from €22,025 in 2015. No major capital works were completed in 2016.

In overall financial management terms, the Institute continued to stabilise and slightly grow its finances during 2016. In addition, the IPA's Balance Sheet reserves remain good at over €13.3m.

## INTERNAL SYSTEMS ENHANCEMENTS

In line with the Institute's information systems strategy, there were further developments in the internal IT hardware and software infrastructure. The quality of the IPA's Financial Management System (FMS) continues as a key governance support in providing timely and accurate forecasts to management and the Board. There were updates to key elements of the IPA's system infrastructures during 2016, including further upgrades of the Institute's backbone network as well as network storage and back-up systems. As a member of the Higher Education Authority's IT Support Service (HEAnet), the IPA continued to work with HEAnet during the year to help further develop its business continuity facilities. Extensive development work was also completed on the IPA's new student record system, which went live last year, with further modules added during 2016. There are also a number of other projects underway in the areas of digital learning (nearly thirty programmes are now on our new e-learning platform, Panopto) and online web-service delivery. In addition, the Director of Finance and Support Services hosted a number of financial awareness sessions for staff so as to ensure a continued focus across the IPA on good-quality governance structures, financial controls and effective management information reporting.

## FINANCIAL PROSPECTS FOR 2017

As stated above, there was a stabilisation of the IPA's finances during 2016, which is expected to continue into 2017. While it is important to budget prudently, there is a likelihood that the IPA will return to a small element of growth in its revenues during 2017, which would reflect the return to growth in Exchequer spending on the public service sector. It is important to note that the Institute's block grant remained at €2.725m for 2017 (the same as 2016), which was a positive support from its parent department. The IPA has budgeted for 2017 turnover to remain stable at €11.0m with a break-even outturn. The IPA continues to look for new opportunities to sustain its income base (such as its 'Teckal Exemption' status and strategic collaborations with professional bodies) and to consolidate both its pay and non-pay cost structures.

## COMPLIANCE

The Institute complied with its financial, taxation and regulatory obligations during 2016, and continued to review and update its corporate governance structures in line with the 2016 *Code of Practice for the Governance of State Bodies*.



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# FINANCIAL STATEMENTS

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FOR THE YEAR ENDED  
31 DECEMBER 2016

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# DIRECTORS & OTHER INFORMATION

## DIRECTORS

Niamh O'Donoghue (Chair; Retired June 2016)	Owen Keegan (Retired June 2016)
Martin O'Halloran (Chair; Appointed June 2016)	Connie Kelleher
Marian O'Sullivan (Director General)	Paul Lemass
Elizabeth Adams	Fergal Lynch (Appointed June 2016)
Mark Callanan	Stephen Mulvaney (Appointed June 2016)
Raymond Dolan	Siobhan O'Halloran
Lucy Fallon-Byrne (Appointed December 2016)	Caroline O'Regan (Retired April 2016)
David Feeney (Retired August 2016)	Colin Scott (Retired December 2016)
Pat Gallagher (Appointed June 2016)	Julie Sinnamon (Retired June 2016)

## SECRETARY AND REGISTERED OFFICE

Dr Cyril Sullivan  
59 Lansdowne Road  
Dublin 4

## AUDITORS

The Comptroller and Auditor General  
3A Mayor Street Upper  
Dublin 1

## PRINCIPAL BANKERS

Allied Irish Bank Bank Centre Ballsbridge Dublin 4	KBC Bank Sandwith Street Dublin 2
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## SOLICITORS

Eversheds  
Earlsfort Terrace  
Dublin 2

## COMPANIES REGISTRATION OFFICE NUMBER

21087

## REGISTERED CHARITY NUMBER

20008031

## CHY (REVENUE) NUMBER

5401

# DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2016

The directors present their annual report and audited Financial Statements of the company for the year ended 31 December 2016. The company is considered to be a Public Benefit Entity as it satisfies the criteria outlined in FRS 102.

## PRINCIPAL ACTIVITIES

The Institute of Public Administration is engaged in activities aimed at promoting the study 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 THE BUSINESS AND FUTURE DEVELOPMENTS

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

The Statement of Income and Expenditure for the year is set out on page 47.

## PRINCIPAL RISKS AND UNCERTAINTIES

There are a number of potential risks and uncertainties which could have a significant impact on the IPA's long-term performance. The IPA's Board and Senior Management Group review existing risks and identify new risks on a monthly basis. Suitable controls are put in place and action plans are established to mitigate risks. These risks and uncertainties and the related controls and plans are monitored by the Audit Committee on a regular basis and reported to the Board. The key risks and uncertainties facing the company include the continued development of the revenue pipeline, the development of its product and service offerings and ensuring their relevance, and controlling its cost base while continuing to source new business. The directors have developed a range of strategies to address these and other risks facing the company.

## SUBSEQUENT EVENTS

There were no significant events affecting the company subsequent to the Balance Sheet date.

## DIRECTORS

The names of the persons who at any time during the financial year were directors of the company are as follows:

Niamh O'Donoghue (Chair; Retired June 2016)

Martin O'Halloran (Chair; Appointed June 2016)

Marian O'Sullivan (Director General)

Elizabeth Adams

Mark Callanan

Raymond Dolan

Lucy Fallon-Byrne (Appointed December 2016)

David Feeney (Retired August 2016)

Pat Gallagher (Appointed June 2016)

Owen Keegan (Retired June 2016)

Connie Kelleher

Paul Lemass

Fergal Lynch (Appointed June 2016)

Stephen Mulvaney (Appointed June 2016)

Siobhan O'Halloran

Caroline O'Regan (Retired April 2016)

Colin Scott (Retired December 2016)

Julie Sinnamon (Retired June 2016)

## COMPANY SECRETARY

The company secretary throughout the financial year was Dr Cyril Sullivan.

## POLITICAL DONATIONS

The company has not made any political donations in the current financial year.

## ACCOUNTING RECORDS

The measures taken by the directors to secure compliance with the requirements of Sections 281 to 285 of the Companies Act, 2014, with regard to the keeping of accounting records are the implementation of necessary policies and procedures for recording transactions, the employment of competent accounting personnel with appropriate expertise and the provision of adequate resources to the financial function. The accounting records of the company are located at 59 Lansdowne Road, Dublin 4.

## STATEMENT ON RELEVANT AUDIT INFORMATION

In the case of each of the persons who are directors at the time this report is approved in accordance with Section 330 of the Companies Act, 2014:

- (a) So far as each director is aware, there is no relevant audit information of which the company's statutory auditors are unaware; and
- (b) Each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's statutory auditors are aware of that information.

## AUDITORS

In accordance with section 383(2) of the Companies Act, 2014, the Comptroller & Auditor General will continue in office.



**Dr Lucy Fallon-Byrne**  
Director



**Dr Mark Callanan**  
Director

On behalf of the Board, 27 April 2017

## DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Directors' Report and the Financial Statements in accordance with Irish law and regulations.

Irish company law requires the directors to prepare Financial Statements for each financial year. Under the law, the directors have elected to prepare the Financial Statements in accordance with the Companies Act, 2014, and FRS 102, 'The Financial Reporting Standard Applicable in the UK and Republic of Ireland', issued by the Financial Reporting Council, and promulgated by Chartered Accountants Ireland ('relevant financial reporting framework'). Under company law, the directors must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the company as at the financial year-end date, and of the profit or loss of the company for the financial year, and otherwise comply with the Companies Act, 2014.

In preparing these Financial Statements, the directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and accounting estimates that are reasonable and prudent;
- State whether the Financial Statements have been prepared in accordance with applicable accounting standards, identify those standards, and note the effect and the reasons for any material departure from those standards; and
- 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 ensuring that the company keeps, or causes to be kept, adequate accounting records which correctly explain and record the transactions of the company, enable at any time the assets, liabilities, financial position and profit or loss of the company to be determined with reasonable accuracy, enable them to ensure that the Financial Statements and Directors' Report comply with the Companies Act, 2014, and enable the Financial Statements to be audited. 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website.



**Dr Lucy Fallon-Byrne**  
Director



**Dr Mark Callanan**  
Director

On behalf of the Board, 27 April 2017

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

## THE INSTITUTE OF PUBLIC ADMINISTRATION

I have audited the Financial Statements of the Institute of Public Administration for the year ended 31 December 2016 under the Comptroller and Auditor General (Amendment) Act, 1993. The Financial Statements comprise the Statement of Income and Expenditure, the Statement of Comprehensive Income, the Statement of Changes in Equity, the Statement of Financial Position, the Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is the Companies Act, 2014, and Generally Accepted Accounting Practice in Ireland.

## RESPONSIBILITIES OF THE DIRECTORS

The directors are responsible for the preparation of the Financial Statements, for ensuring that they give a true and fair view, and otherwise comply with the Companies Act, 2014, and for ensuring the regularity of transactions.

## RESPONSIBILITIES OF THE COMPTROLLER AND AUDITOR GENERAL

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

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

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

## SCOPE OF AUDIT OF THE FINANCIAL STATEMENTS

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

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

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

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

## OPINION ON THE FINANCIAL STATEMENTS

In my opinion, the Financial Statements:

- Give a true and fair view of the assets, liabilities and financial position of the Institute of Public Administration as at 31 December 2016, and of its income and expenditure for 2016; and
- Have been properly prepared in accordance with Generally Accepted Accounting Practice in Ireland; and
- Have been properly prepared in accordance with the Companies Act, 2014.

## MATTERS ON WHICH I AM REQUIRED TO REPORT BY THE COMPANIES ACT, 2014

I have obtained all the information and explanations that I consider necessary for the purpose of my audit. In my opinion, the accounting records of the company were sufficient to permit the Financial Statements to be readily and properly audited. The Financial Statements are in agreement with the accounting records.

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

## MATTERS ON WHICH I REPORT BY EXCEPTION

I report by exception if I find:

- Any material instance where moneys have not been applied for the purposes intended or where the transactions did not conform to the authorities governing them; or
- The information given in the Annual Report for the year ended 31 December 2016 is not consistent with the Financial Statements or with the knowledge acquired by me in the course of performing the audit; or
- The Statement on Internal Financial Control does not reflect the company's compliance with the *Code of Practice for the Governance of State Bodies*; or
- The disclosures of directors' remuneration and transactions as specified by the Companies Act, 2014, are not made; or
- There are other material matters relating to the manner in which public business has been conducted.

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



Patricia Sheehan

For and on behalf of the Comptroller and Auditor General, 15 May 2017

## STATEMENT ON INTERNAL FINANCIAL CONTROL FOR THE YEAR ENDED 31 DECEMBER 2016

The Board acknowledges its responsibility for the Institute of Public Administration's system of financial control. It also recognises that any system of financial control can only give a reasonable and not absolute assurance against any material errors. The internal financial controls in operation within the Institute during 2016 are outlined in the following.

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

### (A) CONTROL ENVIRONMENT

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

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

All staff members have been supplied with financial control procedures, including procurement, and receivable and payable procedures.

Expenditure limits are applied rigorously to all levels of management. These limits were reviewed during 2016 and were not changed. This control is monitored by the Institute's Finance Office by way of both manual and electronic automated checks.

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

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

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

In line with the IPA's annual processes, a business risk review was carried out during the year, involving the Senior Management Group, highlighting the significant risks to the IPA's business with related necessary mitigating actions. The business risks identified in the review are being addressed, in the first instance, through the implementation of the Institute's corporate plan (corporate-level risk register), and then through the business planning process. For 2016, the Board reviewed the IPA's business plans on an annual basis and its risk management activities at each of its meetings. For 2017, each business division will again be embedding their risk mitigation activities in their annual business plans.

### (C) INFORMATION SYSTEMS

The Institute's information systems include an integrated financial and management accounting package, 'Integra'. There are integrated electronic financial control modules for income, expenditure, receivables, payables, purchase ordering, payroll, staff travel and subsistence, and fixed assets on the system. Most of the information-processing controls are automated within the

electronic systems; the controls include proper authorisation, segregation of duties, and scanning of original documentation and records. There is a full suite of control procedures governing the Institute's information processing.

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

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

Monthly management accounts are prepared comparing budgeted income and expenditure with that actually incurred. The Senior Management Group reviews these accounts, involving a detailed examination of the underlying transactions and activities to ensure completeness and accuracy. These accounts were put before the Board at each of its meetings during 2016 and were reviewed by its Finance and Strategy Committee, which met once in 2016.

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

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

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

### (E) ANNUAL REVIEW

An annual review of the Institute's internal financial controls in operation during 2016 was carried out. The Institute's Board reviewed the effectiveness of the internal financial control systems at its meeting on 9 February 2017.

*Martin O'Halloran*      *Dr Marian O'Sullivan*

**Mr Martin O'Halloran**  
Chair

**Dr Marian O'Sullivan**  
Director General

On behalf of the Board, 27 April 2017

## FINANCIAL STATEMENTS

### STATEMENT OF INCOME AND EXPENDITURE For the year ended 31 December 2016

INCOME	Notes	2016 €	2015 €
Fee Income	2	8,464,607	7,640,820
Sale of Publications	3	346,378	300,226
Subscriptions		263,655	266,034
Oireachtas Grant	4	2,629,000	2,629,000
Amortisation of Capital Grant	14	149,823	149,823
		<b>11,853,463</b>	<b>10,985,903</b>
<b>OPERATING EXPENDITURE</b>			
Direct Costs	6	2,838,618	2,220,978
Salary Costs	7	5,848,166	5,506,035
Administration Expenses	8	1,665,386	1,598,206
Interest Payable and Similar Charges		19,798	22,025
Retirement Benefit Cost	19c	1,485,040	1,452,239
		<b>11,857,008</b>	<b>10,799,483</b>
<b>Operating (Deficit)/Surplus for the Year</b>		<b>(3,545)</b>	<b>186,420</b>

The Statement of Cash Flows and notes 1 to 21 form part of these Financial Statements.

**Dr Lucy Fallon-Byrne**  
Director

**Dr Mark Callanan**  
Director

On behalf of the Board, 27 April 2017

### STATEMENT OF COMPREHENSIVE INCOME For the year ended 31 December 2016

	Notes	2016 €	2015 €
(Deficit)/Surplus after Exchequer Contribution		(3,545)	186,420
Experience Gain/(Loss) on Retirement Benefit Obligations		(2,783,000)	221,000
Change in Assumptions Underlying the Present Value of Retirement Benefit Obligations		7,032,000	(3,471,000)
Total Actuarial Gain/(Loss) in the Year		4,249,000	(3,250,000)
Adjustment to Retirement Benefit Funding		(4,249,000)	3,250,000
<b>Total Comprehensive (Loss)/Income</b>		<b>(3,545)</b>	<b>186,420</b>

The Statement of Cash Flows and notes 1 to 21 form part of these Financial Statements.

**Dr Lucy Fallon-Byrne**  
Director

**Dr Mark Callanan**  
Director

On behalf of the Board, 27 April 2017

## FINANCIAL STATEMENTS

### STATEMENT OF CHANGES IN EQUITY For the year ended 31 December 2016

IN RESPECT OF CURRENT YEAR	Capital Reserve €	Revenue Reserve €	Accumulated Surplus on Income and Expenditure €	Capital Grants €	Total €
At 1 January 2016	8,821,505	2,940,043	1,073,061	663,314	13,497,923
Transfer to Capital Reserves	264,527	(264,527)	-	-	-
Amortisation of Capital Grant	-	-	-	(149,823)	(149,823)
Deficit on Statement of Income and Expenditure	-	-	(3,545)	-	(3,545)
<b>At 31 December 2016</b>	<b>9,086,032</b>	<b>2,675,516</b>	<b>1,069,516</b>	<b>513,491</b>	<b>13,344,555</b>

IN RESPECT OF PRIOR YEAR	Capital Reserve €	Revenue Reserve €	Accumulated Surplus on Income and Expenditure €	Capital Grants €	Total €
At 1 January 2015	8,624,431	3,137,117	886,641	813,137	13,461,326
Transfer to Capital Reserves	197,074	(197,074)	-	-	-
Amortisation of Capital Grant	-	-	-	(149,823)	(149,823)
Surplus on Statement of Income and Expenditure	-	-	186,420	-	186,420
<b>At 31 December 2015</b>	<b>8,821,505</b>	<b>2,940,043</b>	<b>1,073,061</b>	<b>663,314</b>	<b>13,497,923</b>

The Statement of Cash Flows and notes 1 to 21 form part of these Financial Statements.



**Dr Lucy Fallon-Byrne**  
Director



**Dr Mark Callanan**  
Director

On behalf of the Board, 27 April 2017

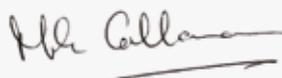
## STATEMENT OF FINANCIAL POSITION as of 31 December 2016

NON-CURRENT ASSETS	Notes	2016 €	2015 €
Property, Plant & Equipment	10	15,024,144	15,496,972
<b>CURRENT ASSETS</b>			
Inventory	9	81,811	127,400
Receivables	11	1,721,749	1,248,333
Cash and Cash Equivalents		3,281,485	2,099,577
		<b>5,085,045</b>	<b>3,475,310</b>
<b>PAYABLES:</b>			
Amounts Falling Due within One Year	12	(4,353,645)	(2,797,196)
Net Current Assets		731,400	678,114
Total Assets Less Current Liabilities		15,755,544	16,175,086
<b>PAYABLES:</b>			
Amounts Falling Due after One Year	13	(2,410,989)	(2,677,163)
Total Assets Less Liabilities		13,344,555	13,497,923
Long-Term Retirement Benefit Obligation	19a	(60,418,000)	(55,355,000)
Deferred Retirement Benefit Asset	19a	60,418,000	55,355,000
Net Assets		<b>13,344,555</b>	<b>13,497,923</b>
<b>REPRESENTING</b>			
Capital & Revenue Reserves		11,761,548	11,761,548
Accumulated Surplus on Income & Expenditure Account		1,069,516	1,073,061
Capital Grants	14	513,491	663,314
		<b>13,344,555</b>	<b>13,497,923</b>

The Statement of Cash Flows and notes 1 to 21 form part of these Financial Statements.



**Dr Lucy Fallon-Byrne**  
Director



**Dr Mark Callanan**  
Director

On behalf of the Board, 27 April 2017

## FINANCIAL STATEMENTS

STATEMENT OF CASH FLOWS For the year ended 31 December 2016			
NET CASH FLOWS FROM OPERATING ACTIVITIES		2016 €	2015 €
Operating (Deficit)/Surplus after Exchequer Contribution		(3,545)	186,420
Adjustments for:			
Interest Payable		19,798	22,025
Depreciation		627,816	622,080
Amortisation of Grants		(149,823)	(149,823)
Decrease/(Increase) in Inventories		45,589	(15,628)
Adjustment on Disposal		-	(988)
(Increase)/Decrease in Receivables		(498,394)	140,349
Increase /(Decrease) in Payables		1,579,780	(211,055)
		2016 €	2015 €
Net Cash Flows from Operating Activities		1,621,221	593,380
CASH FLOWS FROM INVESTING ACTIVITIES		1,621,221	593,380
Payments for Property, Plant & Equipment		(154,988)	(267,811)
Net Cash Flows from Investing Activities		1,466,233	325,569
CASH FLOWS FROM FINANCING ACTIVITIES			
Interest Paid		(19,798)	(22,025)
Decrease in 20-Year Mortgage Facility		(264,527)	(197,074)
Net Cash Flows from Financing Activities		(284,325)	(219,099)
Net Increase in Cash and Cash Equivalents		1,181,908	106,470

The Statement of Cash Flows and notes 1 to 21 form part of these Financial Statements.

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

## 1. ACCOUNTING POLICIES

The basis of accounting and significant accounting policies adopted by the Institute of Public Administration are set out below. They have all been applied consistently throughout the year and for the preceding year.

### (a) General Information

The Institute of Public Administration is a private company limited by guarantee without share capital incorporated in the Republic of Ireland. The Registered Office is 59 Lansdowne Road, Dublin 4, which is also the principal place of business of the company.

The Institute's primary objective, as set in its Memorandum and Articles of Association, is to advance education, promote scholarship and build capacity in public administration and public management so as to enhance public services.

### (b) Statement of Compliance

The Financial Statements of the Institute of Public Administration for the year ended 31 December 2016 have been prepared in accordance with FRS 102, 'The Financial Reporting Standard Applicable in the UK and Ireland', issued by the Financial Reporting Council, as promulgated by Chartered Accountants Ireland.

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's Financial Statements.

### (c) Basis of Preparation

The Financial Statements have been prepared under the historical cost convention, except for certain assets and liabilities that are measured at fair values, as explained in the accounting policies below. The Financial Statements are in the form approved under the Companies Acts and the relevant generally accepted accounting principles (GAAP). The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Institute's Financial Statements.

#### (i) Income (Other than Oireachtas Grant)

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

#### (ii) Oireachtas Grant

Revenue is generally recognised on an accruals basis; one exception to this is in the case of Oireachtas grants, which are recognised on a cash receipts basis.

#### (iii) Capital Grants

Grants towards capital expenditure are credited to Capital and Reserves and are released to the Statement of Income and Expenditure over the expected useful life of the related assets, by equal annual instalments.

#### (iv) Property, Plant & Equipment, and Depreciation

Property, plant and equipment, including buildings, are stated at their historical cost or valuation less accumulated depreciation. All tangible fixed assets are initially recorded at historical cost. This includes legal fees, stamp duty and other non-refundable purchase taxes, and also any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner

intended by management, which can include the costs of site preparation, initial delivery and handling, installation and assembly, and testing of functionality.

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset systematically over its expected useful life, on a straight line basis, as follows:

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
Prefabricated Buildings	33.3% Straight line

Depreciation commences in the year in which the asset is brought into use.

As part of its annual review of assets, the IPA conducted an impairment review. There were no adjustments for 2016 for the impairment of assets.

### (v) Inventory

Inventories are stated at the lower of cost and net realisable value using the first in, first out method. Net realisable value is based on normal selling price, less costs expected to be incurred to completion and disposal. Provision is made, where necessary, for obsolete and slow-moving inventory.

### (vi) Receivables

Receivables are initially recorded at transaction price. Known bad debts are written off and specific provision is made for any amounts the collection of which is considered doubtful.

### (vii) Retirement Benefit Costs

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

The IPA also operates the Single Public Services Pension Scheme (Single Scheme), which is a defined-benefit scheme for pensionable public servants appointed on or after 1 January 2013. Single Scheme members' contributions are paid over to the Department of Public Expenditure and Reform.

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

## NOTES TO THE FINANCIAL STATEMENTS

The retirement benefit charge in the Statement of Income and Expenditure comprises the Institute's contribution payable to the Department of Public Expenditure and Reform in line with the funding arrangements.

Following the transfer of the scheme assets, the Institute is funded by the Exchequer on a pay as you go basis to meet the costs of the pensions as they arise.

### (viii) Taxation

The company is entitled to exemption from taxation under the Taxes Consolidation Act, 1997. The Charity Registration Number is CHY 5401 and the Registered Charity Number is 20008031. Accordingly, no taxation charge has been included in the Financial Statements for the year ended 31 December 2016.

### (ix) Cash and Cash Equivalents

Cash consists of cash on hand and demand deposits. Cash equivalents consist of short-term, highly liquid investments that are readily convertible to known amounts of cash which are subject to an insignificant risk of change in value.

### (x) Loans and Borrowings

The Company obtained a €5 million, 20-year loan secured by mortgage on its Lansdowne Road premises (there are 9 years remaining). The interest rate charged is Euribor + 0.5%. As required by FRS 102, the loan value and interest expense are recognised using the effective interest rate method.

### (xi) Other Financial Liabilities

Trade payables are measured at invoice price, unless payment is deferred beyond normal business terms or is financed at a rate of interest that is not a market rate. In this case, the arrangement constitutes a financing transaction, and the financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

### (xii) Capital and Reserves

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

### (xiii) Judgements and Key Sources of Estimation Uncertainty

The preparation of these Financial Statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses.

Judgements and estimates are continually evaluated and are based on historical experiences and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The directors consider the accounting estimates and assumptions below to be critical accounting estimates and judgements:

### Going Concern

The directors have prepared budgets and cash flows for a period of at least twelve months from the date of the approval of the Financial Statements which demonstrate that there is no material uncertainty regarding the company's ability to meet its liabilities as they fall due, and to continue as a going concern. On this basis the directors consider it appropriate to prepare the Financial Statements on a going concern basis. Accordingly, these Financial Statements do not include any adjustments to the carrying amounts and classification of assets and liabilities that may arise if the company was unable to continue as a going concern.

### Impairment of Trade Receivables

The company trades with a large and varied number of customers on credit terms. Some debts due will not be paid through the default of a small number of customers. The company uses estimates based on historical experience and current information in determining the level of debts for which an impairment charge is required. The level of impairment required is reviewed on an ongoing basis.

### Impairment of Inventory

The directors are of the view that an adequate charge has been made to reflect the possibility of inventory being sold at less than cost. However, this estimate is subject to inherent uncertainty.

### Useful Lives of Property, Plant & Equipment

Long-lived assets, comprising primarily of land and buildings, office machines and furniture, represent a significant portion of total assets. The annual depreciation charge depends primarily on the estimated lives of each type of asset and, in certain circumstances, estimates of residual values. The directors regularly review these useful lives and change them if necessary to reflect current conditions. In determining these useful lives, management consider technological change, patterns of consumption, physical condition and expected economic utilisation of the assets. Changes in the useful lives can have a significant impact on the depreciation charge for the financial year.

**2. FEE INCOME**

	2016 €	2015 €
Training	3,660,512	2,625,642
Education	4,443,945	4,704,208
Research	360,150	310,970
	8,464,607	7,640,820

**3. SALE OF PUBLICATIONS**

Income from IPA Publications	346,378	300,226
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**4. OIREACHTAS GRANT**

An amount of €2,725,000 (2015: €2,725,000) was received from the Department of Public Expenditure and Reform, of which €96,000 was accounted for in Subscriptions and €2,629,000 is the grant. The grant is provided by the Department of Public Expenditure and Reform (Vote No. 11, Subhead B.3) towards liabilities under general non-pay expenses and is drawn down by the Institute on an annual basis.

**5. OPERATING SURPLUS**

The operating surplus is stated after charging/(crediting) the following:

**(a) Directors' Emoluments**

The members of the IPA Board do not receive fees. While Board members do not travel on official business as members of the Institute, they are entitled to claim travel and subsistence for their attendance at Board and subcommittee meetings. For 2016, no expenses were claimed by a Board member.

## NOTES TO THE FINANCIAL STATEMENTS

### (b) Remuneration of the Director General

A new Director General was appointed on 1 October 2015 following the retirement of the previous incumbent. The salaries are set out below. The Director General's pension arrangements do not extend beyond the model public sector defined-benefit superannuation scheme.

In Respect of Current Year:

	2016 €	2015 €
Dr Marian O'Sullivan (Appointed 1 October 2015)		
Salary	127,635	31,440
Employer's PRSI	12,440	3,077
Pension Contribution	44,162	10,878
Travel & Subsistence	5,994	552
Dr Brian Cawley (Retired 30 September 2015)		
Salary		131,555
Employer's PRSI		12,891
Pension Contribution		44,820
Travel & Subsistence		3,096

The IPA staff numbers in the following salary bands as of 31 December 2016 were:

SALARY BAND	STAFF NUMBER
€60,000 - €70,000	1
€70,001 - €80,000	14
€80,001 - €90,000	8
€90,001 - €100,000	3
€100,001 - €110,000	2
€110,001 - €120,000	-
€120,001 - €130,000	2
€130,001 - €140,000	-
€140,001 - €150,000	1

(c) Auditor's Remuneration	17,000	17,000
(d) Depreciation (Net of Disposals)	627,816	622,080
(e) Interest Payable on Sums Repayable Over a Period Greater than Five Years	19,798	22,025
(f) Capital Grant Amortised	(149,823)	(149,823)

### 6. ANALYSIS OF DIRECT COSTS

	2016 €	2015 €
Training	1,190,834	729,705
Education	1,404,942	1,287,582
Publications	165,956	139,595
Research	49,683	25,344
General	27,203	38,752
	<b>2,838,618</b>	<b>2,220,978</b>

## 7. EMPLOYEE INFORMATION

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

	2016 €	2015 €
Training	24	23
Education	28	28
Publications	4	4
Research	4	3
General	23	23
	<b>83</b>	<b>81</b>

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

	2016 €	2015 €
Wages and Salaries	4,344,899	4,045,818
Associate Staff	878,516	872,385
Social Insurance Costs	556,984	529,095
Income Continuance Plan	67,767	58,737
	<b>5,848,166</b>	<b>5,506,035</b>

All the amounts stated above were treated as an expense of the company in the financial year. No amount was capitalised into assets.

€255,911 (2015: €287,679) of pension-related deduction has been deducted and paid over to the Department of Public Expenditure and Reform.

As a result of the IPA's redeployment of staff during 2012, there are a number of staff on secondment. As the seconded salary amounts are fully recouped, the salary figures presented exclude seconded amounts of €391,207 (2015: €516,216).

## NOTES TO THE FINANCIAL STATEMENTS

### 8. ANALYSIS OF ADMINISTRATION EXPENSES

	2016 €	2015 €
Repairs, Cleaning and Maintenance	409,570	313,498
Depreciation	627,816	622,080
Stationery and Photocopying	171,827	149,882
Light, Heat and Phone	119,484	146,573
Postage	46,699	50,986
Insurance	31,525	26,169
Corporate Affairs and Marketing	84,927	96,432
Staff Development	39,394	44,196
General	134,144	148,390
	1,665,386	1,598,206

### 9. INVENTORY

Stationery and Books	81,811	127,400
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There are no inventories pledged as security.

## 10. PROPERTY, PLANT &amp; EQUIPMENT

## In respect of current year

COST	Land & Buildings <sup>(a)</sup> €	Office Machines €	Furniture, Fittings, Equipment & Library Books €	Total €
At 1 January 2016	20,607,256	1,668,342	1,757,026	24,032,624
Additions	-	-	154,988	154,988
<b>At 31 December 2016</b>	<b>20,607,256</b>	<b>1,668,342</b>	<b>1,912,014</b>	<b>24,187,612</b>
<b>DEPRECIATION</b>				
At 1 January 2016	5,759,988	1,606,945	1,168,719	8,535,652
Charge for the Year	410,365	7,579	209,872	627,816
<b>At 31 December 2016</b>	<b>6,170,353</b>	<b>1,614,524</b>	<b>1,378,591</b>	<b>9,163,468</b>
<b>NET BOOK VALUE</b>				
<b>At 31 December 2016</b>	<b>14,436,903</b>	<b>53,818</b>	<b>533,423</b>	<b>15,024,144</b>
<b>At 1 January 2016</b>	<b>14,847,268</b>	<b>61,397</b>	<b>588,307</b>	<b>15,496,972</b>

## In respect of prior year

COST	Land & Buildings <sup>(a)</sup> €	Office Machines €	Furniture, Fittings, Equipment & Library Books €	Total €
At 1 January 2015	20,607,256	1,909,871	2,676,711	25,193,838
Additions	-	-	267,811	267,811
Disposals	-	(241,529)	(1,187,496)	(1,429,025)
<b>At 31 December 2015</b>	<b>20,607,246</b>	<b>1,668,342</b>	<b>1,757,026</b>	<b>24,032,624</b>
<b>DEPRECIATION</b>				
At 1 January 2015	5,347,843	1,765,495	2,230,247	9,343,585
Charge for the Year	412,145	83,974	125,961	622,080
Disposals	-	(242,524)	(1,187,489)	(1,430,013)
<b>At 31 December 2015</b>	<b>5,759,988</b>	<b>1,606,945</b>	<b>1,168,719</b>	<b>8,535,652</b>
<b>NET BOOK VALUE</b>				
<b>At 31 December 2015</b>	<b>14,847,268</b>	<b>61,397</b>	<b>588,307</b>	<b>15,496,972</b>
<b>At 1 January 2015</b>	<b>15,259,413</b>	<b>144,376</b>	<b>446,464</b>	<b>15,850,253</b>

Note (a): Schedule of Properties and Type of Holding.

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

## NOTES TO THE FINANCIAL STATEMENTS

### 11. RECEIVABLES

	2016 €	2015 €
Trade Receivables	1,700,214	1,107,269
Exchequer Pensions <sup>(Note 19c)</sup>	3,703	126,064
Prepayments & Other Receivables	17,832	15,000
	<b>1,721,749</b>	<b>1,248,333</b>

Trade receivables are net of a provision for doubtful debts of €24,400 (2015: €24,400).

### 12. PAYABLES: AMOUNTS FALLING DUE WITHIN ONE YEAR

Bank Loans	264,527	262,880
Trade Payables	228,054	234,385
Deferred Fee Income	3,648,132	1,920,384
Sundry Payables and Accruals	212,932	137,268
PAYE/PRSI	-	242,279
	<b>4,353,645</b>	<b>2,797,196</b>

### 13. PAYABLES: AMOUNTS FALLING DUE AFTER ONE YEAR

€5m 20-Year Variable Rate Facility	2,410,989	2,677,163
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The loan is repayable in instalments over a 20-year period. There are 9 years left on the repayment period. It is subject to a variable interest rate based on Euribor + 0.5%. The weighted average interest rate during the financial year was 0.65% (2015: 1.2%). The bank holds the deeds to No. 55 Lansdowne Road as security on this facility.

#### 13.1. BANK LOANS

Analysis of the maturity of loans is given below

	2016 €	2015 €
Within 1 Year	264,527	262,880
Within 2–5 Years	788,640	788,640
After More than 5 Years	1,622,349	1,888,523
	<b>2,675,516</b>	<b>2,940,043</b>

**14. CAPITAL GRANTS**

	2016 €	2015 €
At 1 January	663,314	813,137
Amount Amortised in the Year	(149,823)	(149,823)
<b>At 31 December</b>	<b>513,491</b>	<b>663,314</b>

In accordance with the accounting policy, capital grants are recognised using the accrual model. These grants, which are for the purchase of the IPA's training centre, are recognised over the useful life of the assets, which is 20 years. There are no unfulfilled conditions or contingencies attaching to these grants.

**15. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT**

	2016 €	2015 €
Increase in Cash	1,181,908	106,470
Decrease in 20-Year Mortgage Facility	264,527	197,074
<b>Movement in Net Debt During the Year</b>	<b>1,446,435</b>	<b>303,544</b>
Net Debt at 1 January	(840,466)	(1,144,010)
<b>Net Debt at 31 December</b>	<b>605,969</b>	<b>(840,466)</b>

**Analysis in Changes of Net Debt**

	At 31 Dec 2015 €	Cash Flows €	At 31 Dec 2016 €
Cash and Cash Equivalents	2,099,577	1,181,908	3,281,485
20-Year Mortgage Facility	(2,940,043)	264,527	(2,675,516)
<b>Total</b>	<b>(840,466)</b>	<b>1,446,435</b>	<b>605,969</b>

## NOTES TO THE FINANCIAL STATEMENTS

### 16. SUBSEQUENT EVENTS

There were no significant events affecting the company subsequent to the Balance Sheet date.

### 17. CAPITAL COMMITMENTS

There were no capital commitments at the year-end.

### 18. CONTINGENT LIABILITY

There are no contingent liabilities at the year-end that could have a material adverse effect on the company's financial position.

### 19. RETIREMENT BENEFITS

#### (a) Retirement Benefit Obligation and Asset

As outlined in the accounting policies (see Note 1), the Institute's retirement benefit fund was transferred to the National Pension Reserve Fund on 30 June 2010 in accordance with the Financial Measures (Miscellaneous Provisions) Act, 2009. Following the transfer of scheme assets, the Institute is required to pay the Department of Public Expenditure and Reform an annual contribution after taking account of retirement benefits due for payment. The department will provide funding where the retirement benefits paid exceed the contribution. The Board has adopted the treatment and disclosures required by Section 28 of the accounting standard FRS 102 to reflect the arrangements in operation. While the funding arrangement operates on a net pay over basis with the department, the Institute believes the nature of the arrangement is akin to a full reimbursement of the retirement benefit obligation when those liabilities fall due for payment, and therefore recognises its right to the reimbursement as a separate asset in an amount equal to the obligation at the year-end.

The retirement benefit obligation at 31 December 2016 was €60,418,000 (2015: €55,355,000) based on an actuarial valuation of the retirement benefit obligations in respect of Institute staff as at 31 December 2016 carried out by a qualified independent actuary for the purposes of FRS 102. A deferred funding asset of €60,418,000 equal to the liability at 31 December 2016 is recognised as a separate asset on the Statement of Financial Position.

## Movement in Retirement Benefit Obligation

	2016 €'000	2015 €'000
Present Value of Scheme Obligations at 1 January	55,355	58,152
Current Service Cost	1,132	1,305
Contribution by the Employer	-	-
Plan Participant Contributions	63	63
Interest Cost	1,281	1,205
Actuarial Loss/(Gain)	4,249	(3,250)
Benefits Paid	(1,565)	(2,030)
Expenses Paid	(97)	(90)
<b>Present Value of Scheme Obligations at 31 December</b>	<b>60,418</b>	<b>55,355</b>
<b>Retirement Benefit Asset at 31 December</b>	<b>60,418</b>	<b>55,355</b>

## (b) Retirement Benefit Cost Recognised in the Statement of Income and Expenditure

	€'000
Amount Charged to Expenditure	€'000
Employer Pension Contributions Remitted to the Exchequer	1,485
Current Service Cost	1,195
Interest Cost	1,281
Adjustment to Deferred Exchequer Pension Funding	(2,476)
<b>Total Charged to Statement of Income and Expenditure</b>	<b>1,485</b>

## (c) Contribution to the Exchequer in Respect of Retirement Benefits

In accordance with the arrangements set out in Note 19a, the Institute is required to make an annual contribution to the Exchequer in respect of retirement benefits. The contribution is set at 34.6% of the Institute's payroll charge and comprises the Institute's contribution of €1.5m (2015: €1.5m) and employee contributions of €99,545 (2015: €97,244). The Institute makes retirement benefit and related payments on behalf of the Exchequer and the amount payable to the Exchequer is calculated after taking account of such payments.

## Amounts payable to the Exchequer are set out below:

	2016 €	2015 €
Balance at 1 January	(126,064)	188,121
IPA Contributions (Excl Seconded Staff)	1,485,040	1,452,239
IPA Seconded Staff	95,221	97,951
<b>Total Institute Contributions <sup>(i)</sup></b>	<b>1,580,261</b>	<b>1,550,190</b>
Employee Contributions	99,545	97,244
Retirement Benefit and Related Payments <sup>(ii)</sup>	(1,757,445)	(2,117,498)
Refund from/(Payments to) Exchequer	200,000	(155,879)
<b>Balance at 31 December</b>	<b>(3,703)</b>	<b>(126,064)</b>

Note (i): As a result of the IPA's redeployment of staff in 2012, there are a number of staff on secondment. The IPA makes the necessary pension contribution to the Exchequer on their behalf of €95,221 (2015: €97,951).

Note (ii): The €1.565m in Note 19a comes from the €1.757m in the above, less expenses of €0.097m and seconded staff pensions of €0.095m.

## NOTES TO THE FINANCIAL STATEMENTS

### (d) Description of the Scheme and Actuarial Assumptions

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

The financial assumptions used for FRS 102 purposes were:

	2016	2015
Rate of Increase in Salaries	2.75%	2.60%
Rate of Increase in Retirement Benefits in Payment	2.75%	2.60%
Rate of Increase in Retirement Benefits in Deferment	2.75%	2.60%
Discount Rate	1.80%	2.35%
Inflation	1.75%	1.60%

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 2016:

	2016	2015
Male Member Age 65 (Current Life Expectancy)	21.1	20.9
Female Member Age 65 (Current Life Expectancy)	23.6	23.5
Male Member Age 45 (Life Expectancy at Age 65)	23.6	23.5
Female Member Age 45 (Life Expectancy at Age 65)	25.7	25.6
Male Member Age 40 (Life Expectancy at Age 65)	24.1	24.0
Female Member Age 40 (Life Expectancy at Age 65)	26.2	26.1

The above mortality assumption is in line with the standard table allowing for projected improvements.

### (e) Funding of Retirement Benefits

The IPA expects to contribute €1.5m to the Exchequer in 2017 in relation to retirement benefits.

## 20. BOARD MEMBERS' INTERESTS

The Board adopted procedures in accordance with the revised *Code of Practice for the Governance of State Bodies* (2016) 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.

## 21. APPROVAL OF FINANCIAL STATEMENTS

The Board of Directors of the Institute approved these Financial Statements and authorised them for issue on 27 April 2017.

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