

17

ANNUAL REPORT
TWO THOUSAND
AND SEVENTEEN



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01

Foreword

Foreword

Established in November 1957, the Institute of Public Administration is celebrating sixty years of providing a unique mix of education, training, research, publishing and consultancy services for students and organisations across the public service. This cross-sectoral approach ensures that the IPA applies a unique, whole-of-government perspective to everything that it does. In recognising that the IPA has a leading role in providing capacity-building services and support for public sector development and reform, the Institute launched its new strategic plan in early 2017. The IPA is proud of its distinct mission 'to advance the understanding, standard and practice of public administration and public policy'. As we look to the future, we have an ambitious and challenging vision for the strategic development of the IPA, which is 'to be a thought leader and provider of choice in building capacity across the public service'.

Ensuring that our public services operate consistently to the highest standards is an ongoing challenge, and often the subject of much debate. Over the years, the IPA has sought to contribute to, and inform and debate on, the performance of our public service.

For the last number of years the IPA has published a yearly report which examines trends in the public sector. The purpose of this report is to help inform the debate on Ireland's public sector and its role in Irish society. Using data gathered from a number of national and international sources, information on the size and costs of the public sector, the quality of public administration, efficiency and performance, and the levels of trust and confidence is presented in a simple but rigorous format.

Some of the key findings from the 2017 report are as follows:

- In 2016 the numbers employed in the public service rose to over 311,000, the highest since 2008.
- 14 per cent of the workforce work in the public service.
- Irish public administration is seen as the most professional and least politicised in Europe.
- Irish public services are seen as among the least bureaucratic (second-best) and least corrupt (third-best) in Europe.
- Public satisfaction with the civil service is quite high: 83 per cent of those surveyed were either very or fairly satisfied with services received from the civil service; 12 per cent were either very or fairly dissatisfied with services. This dissatisfaction figure is the lowest since 2005.

The main reasons for dissatisfaction were slow processes and long waiting times on the phone. This raises the issues of how the services we deliver can be improved or redesigned and how well we are prepared for the digital economy. Digital competencies and creativity are the two most recurring themes with respect to the changes that are occurring in the skill sets required in the workforce of the future.

Digital technologies are transforming our economic and social lives. While we see headlines that robots will replace our jobs, we should bear in mind that although digitalisation will replace certain jobs, it will also create jobs and often better-paid employment opportunities.

If we look back to 2006, Facebook was in its infancy, Twitter was being launched and nobody had smartphones. Eleven years on, the workplace is a very different place. Sixty-five per cent of children entering primary schools today will end up working in jobs that are not even in our thought processes yet. The pace of change is accelerating.

What we need to recognise is that 'the end of one job is the start of a new job'. The World Economic Forum's recent *Future of Jobs* report states that in 2020 the top three skills that will be required are complex problem solving, critical thinking and creativity. The latter was ranked number ten in 2015. Creativity means different things to different people. The essence of creativity is novelty and usefulness. Creative people are able to connect their experiences and synthesise new things.

Innovation will occur when an organisation successfully implements the creative ideas which emerge from individuals or teams. The challenge facing us is to develop and support creative mindsets and processes and see our organisations as enablers of creativity. We must acknowledge that creativity is a basic problem-solving skill. Creativity will become increasingly important the further we move into the future.

While the public sector is affected by many internal and external factors, it ensures that we have leaner and smarter organisations and more efficient and creative processes to meet today's societal challenges. The IPA has worked with and supported staff from across many public service organisations to achieve this transformation successfully. All of you are part of this transformation and are on a journey. 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.



Martin O'Halloran

Martin O'Halloran
Chair



02

Director General's Report

Director General's Report



Pictured at the launch of the book Towards the Era of Lifelong Learning, by John Coolahan, was guest of honour Richard Bruton, TD, Minister for Education and Skills.

The annual report allows time for reflection on the Institute of Public Administration's achievements in the last twelve months as we celebrate its sixtieth year, which began in November 2017. It also provides an opportunity to acknowledge the high levels of professionalism, commitment and hard work of an excellent team of people with which I have the pleasure of working with, under the guidance and support of the IPA Chair and Board. It is important that we celebrate and acknowledge what overall has been a successful year.

New requirements are arising from continuous improvements across the public service. While there is still an emphasis on issues like control of spending, the need to do more with less, joined-up government, closer integration of policy formulation and implementation, and more flexible public service labour markets, there is now also a clear focus on greater use of technology, creativity, 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. The IPA has developed an excellent reputation both nationally and internationally for providing education, training, research, publishing, capacity-building and support for public sector development and reform.

The conferring ceremony for UCD-accredited programmes took place on 1 December 2017 when 860 graduates were conferred. An additional 472 students were presented with UCD certificates. 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. The 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. In 2017 the Institute also continued to provide programmes to international students. Over fifty students from US colleges participated in parliamentary internship programmes. Twenty students from the Seychelles completed the MA in Leadership and Strategy and over one hundred students from Nanchang University in China studied on the Diploma in Business Studies programme.

The IPA has a small, full-time, dedicated team of staff undertaking applied research for government departments and other public sector bodies. The year 2017 saw the continuation of the IPA 'State of the Public Service' research series and the 'Local Government' research series. Other areas of work included:

- Completion of a commissioned study for The Atlantic Philanthropies on lessons from The Atlantic Philanthropies and Irish Government partnership-based co-investments.
- Provision of the Irish input for an EU commissioned project, 'Support for Developing Better Country Knowledge on Public Administration and Institutional Capacity Building' (European Public Administration Country Knowledge – EUPACK), to enhance knowledge and understanding of the status and reform dynamics of public administration in EU member states, as well as the contribution of external support for improving its quality, with a view to better targeting EU support in this area in the future.
- Support work for the Department of Public Expenditure and Reform with regard to public sector reform.
- Support work for local government reorganisation in Cork. The research team provided support for the Cork Local Government Expert Advisory Group and the subsequent Cork Local Government Implementation Oversight Group.
- Editorship of the Institute's journal, *Administration*, four issues of which are delivered each year.

The year 2017 saw the completion of a number of projects and commencement of some new publishing initiatives. In line with the IPA's publishing strategy, overseen by the Institute's Book Publishing Committee, a number of texts were either completed or approved for publication:

- *Towards the Era of Lifelong Learning: A History of Irish Education 1800–2016*, by Professor John Coolahan.
- *Human Resource Management in Ireland* (fifth edition), by Patrick Gunnigle, Noreen Heraty and Michael J. Morley.
- *Judicial Power in Ireland*, by Eoin Carolan (ed.). This is a major edited work, with contributions from a number of eminent judges and legal academics and experts, and will be published in 2018.
- *No Artificial Limits: Ireland's Regional Technical Colleges*, by Richard Thorn, due for publication in early 2018.
- *Directory of Irish Parliamentarians*, by Tony White, due for publication in 2018.
- *Envoy Extraordinary: Professor Smiddy of Cork*, by Eda Sagarra, due for publication in 2018.
- *Local Government in the Republic of Ireland*, by Mark Callanan. This book is mainly focused on contemporary local government, and is also due for publication in 2018.

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, data protection and GDPR, administrative law, auditing and information technology, including accredited programmes which lead to formal membership of professional bodies. During 2017 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 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). 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 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 forum members. The roll-out of the *Code of Practice for the Governance of State Bodies* and additional guidance on the specific compliance obligations for state bodies and public benefit entities was a particular focus in 2017, culminating with a December event which included Minister Paschal Donohoe, TD, and representatives from the Comptroller and Auditor General and the Department of Public Expenditure and Reform. 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.

During 2017 International Services continued its remit to promote and develop effective public administration internationally and to showcase best practice from the Irish public service. International Services continued its cooperation with the Department of Foreign Affairs and Trade to deliver a programme of support to the Western Balkans. In 2017 International Services worked for the first time with the Office of the Civil Service Commission (OCSC) of the Royal Kingdom of Thailand. As part of its strategy to enhance performance and service quality by preparing and retaining talented Thai civil servants for expert and management roles, we delivered two capacity-building training programmes: (i) Advanced Public Management and Leadership Programme and (ii) Talent Network.

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 2017. 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 Institute.



A handwritten signature in black ink that reads "Dr. Marian O'Sullivan".

Dr Marian O'Sullivan
Director General



03

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. 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. The 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 2017.

In 2017 the Institute continued to provide services to international students. Over fifty students from US colleges participated in parliamentary internship programmes, twenty 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.



Pictured (l-r) at the 2017 IPA conferring ceremonies in Dublin Castle were Niamh Seoighe, MA Public Management, and Michelle Green, MA Public Management.

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

1 December 2017 when 860 graduates were conferred. An additional 472 students were presented with UCD certificates.

In 2017 the Institute offered the following suite of undergraduate and postgraduate programmes ranging from level 6 to level 10 of the National Framework of Qualifications.



Pictured at the 2017 IPA conferring ceremonies in Dublin Castle was Eddie Meegan, MA, Local Government Management.

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 2017 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. The Professional Diploma in Human Rights and Equality, delivered in conjunction with the Irish Human Rights and Equality Commission, had its second intake in 2017 when forty students enrolled. Overall, over 1,200 students were enrolled on our undergraduate programmes in 2017.

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 2017 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 2017 eighteen students enrolled on year one of the programme and ten students on 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 twenty students was enrolled on the programme in 2017.

The Professional Certificate in Governance is a one-year programme which was first offered in 2011. Seventy students were enrolled on the programme in 2017.

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 2017 forty students were enrolled on the doctorate programme.



Dr Michael Mulreany
Assistant Director General

THE PRACTICE OF HUMAN
RESOURCE MANAGEMENT

RESEARCH PAPER

20



STATE OF THE PUBLIC SERVICE SERIES

JOANNA O'RIORDAN
JULY 2017



04

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 2017 saw 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 objective of informing discussion, debate and practice on the current and future direction of the public service.

Under the 'State of the Public Service' series, two reports were published in 2017, and one other study commenced:

THE PRACTICE OF HUMAN RESOURCE MANAGEMENT

This report provides an overview on human resource management (HRM). A perennial challenge for HR is the importance of showing that the application of good HR practices contributes to better organisation performance – the motivation being to prove that HR, rather than being a cost to the organisation, 'adds value'. Most of the research in this area is based on the premise that good HR practices enhance the motivation and commitment of staff, which in turn impacts positively on productivity and performance.

In many organisations HR is challenged by the multiple roles it is required to fulfil – administrator, strategic partner, challenger, champion of good people management, guardian of organisation values, conscience of the organisation and governor. Achieving the right balance is dependent on HR investing in its own capacity and actively listening to the needs and concerns of managers and staff. Ultimately, there is no one best-practice model of HR. The function within each organisation needs to build its approach based on a deep and evidence-based understanding of the mission and culture of their organisation. This report is available for download at https://www.ipa.ie/_fileUpload/Documents/THE_PRACTICE_OF_HRM.pdf

PUBLIC SECTOR TRENDS 2017

This report examines trends in public sector development and is the eighth 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 [https://www.ipa.ie/_fileUpload/Documents/PublicSectorTrends2016%20\(1\).pdf](https://www.ipa.ie/_fileUpload/Documents/PublicSectorTrends2016%20(1).pdf)

A case study was commenced reviewing the merger of the Environmental Protection Agency with the former Radiological Protection Institute of Ireland, which took place in August 2014. It is anticipated that this study will be published in 2018.

Under the 'Local Government' series, one report was completed and published, and another report was completed.

€300K – HAVE YOUR SAY: EVALUATION OF SOUTH DUBLIN COUNTY COUNCIL PILOT PARTICIPATORY BUDGETING EXERCISE

Participatory budgeting (PB) is a process in which the public can participate directly in the allocation of local public finances. Residents develop project proposals for their local area and vote on shortlisted proposals in order to select winning projects to be implemented in the area.

South Dublin County Council (SDCC) piloted the first ever PB process in Ireland in 2017 (branded '€300k – Have Your Say'). SDCC allocated €300,000 to the PB process and selected one of six local electoral areas in South Dublin County by lot in which to pilot the project. The area selected was the Lucan electoral area, which also includes Palmerstown and Adamstown.

The PB exercise was a success and proved very popular. This is illustrated by the response to a question in the survey of PB participants as to whether they would like to see the PB process repeated: 94 per cent said they would, and only 6 per cent were against repeating the process. This report tracks the PB initiative from its start to the

selection of the winning projects. The report highlights successful aspects of the exercise and identifies areas for improvement. This report is available for download at https://www.ipa.ie/_fileUpload/Documents/SDCC_300k_REPORT2017.pdf

A report on local economic development was completed, to be published in 2018. This report examines the role of subnational governments in local economic development. It provides a brief overview of the current situation in Ireland, identifies international trends and presents examples of the economic development role of local authorities in other jurisdictions.

Also for local government, a scoping paper entitled *The Maintenance of Local Authority Housing: The Case for Strategic Asset Management* was prepared for the housing and building committee of the County and City Management Association.

Other areas of work undertaken by the research team in 2017 included:

- Completion of a commissioned study for The Atlantic Philanthropies on lessons from The Atlantic Philanthropies and Irish Government partnership-based co-investments. This work will be published in 2018. During 2017 the output from a round table held as part of the study, to discuss how government and philanthropy can work together effectively, was published. The report is available at <https://www.atlanticphilanthropies.org/research-reports/learning-lessons-from-the-atlantic-philanthropies-and-the-irish-government-working-together>
- Provision of the Irish input for an EU commissioned project, 'Support for Developing Better Country Knowledge on Public Administration and Institutional Capacity Building' (European Public Administration Country Knowledge – EUPACK), to enhance knowledge and understanding of the status and reform dynamics of public administration in EU member states, as well as the contribution of external support for improving its quality, with a view to better targeting EU support in this area in the future.
- Support work for the Department of Public Expenditure and Reform with regard to public sector reform. This

included a team member being placed on the project board appointed to oversee the development of a new public service reform plan during 2017.

- Support work for local government reorganisation in Cork. The research team provided support for the Cork Local Government Expert Advisory Group and the subsequent Cork Local Government Implementation Oversight Group.
- Commissioned research for Atlantic Philanthropies (Northern Ireland) on human resource management.
- Commencement of 'Evaluation of the Goal Programme for Public Service Reform' for the Centre for Effective Services. This work will run through to 2019.
- 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.



Dr Richard Boyle
Head of Research, Publishing
and Corporate Relations





05

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 2017 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 Clerical Officer, Executive Officer, Higher Executive Officer and Assistant Principal Officer Grades in the

for those completing the certificate programme. The CIPD Foundation Level Diploma in Learning and Development Practice entered its fifth year of delivery at the end of 2017 as a follow-on pathway for those completing the CIPD Foundation Level Certificate programme. The CPD seminar series for public sector accountants and finance professionals, offered in conjunction with professional accountancy bodies, continued to build on the success of previous years with a further event in 2017 that focused on how organisations can mitigate risks in the area of cybersecurity and how organisations can prepare for the new EU General Data Protection Regulations (GDPR) that will come into effect in May 2018.



In partnership with the Local Government Management Agency, the Institute concluded the Local Government Graduate Programme, which commenced in May 2015. The second year of the programme saw graduates complete their accredited programme of choice and receive professional accreditation with a number of recognised, relevant professional bodies.

A series of new courses under the National Housing Training and Development

Programme (NHTDP) were delivered in 2017. These technical and non-technical courses, aimed specifically at local authority housing practitioners, included Social Housing Fundamentals, Preventing and Managing Rent and Mortgage Arrears, Dealing with Anti-Social Behaviour and Managing Information Systems.

Aimed at senior public servants and designed to develop leadership capacity, our Leadership Challenge Programme attracted a complement of eighteen 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-three senior managers with administrative and technical roles from twenty-two local authorities participated in the Leadership in Local Government Programme, delivered in spring and autumn in partnership with senior faculty from the 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 roll-out of the *Code of Practice for the Governance of State Bodies* and additional guidance on the specific compliance obligations for state bodies and public benefit entities was a particular focus in 2017, culminating with a December event which included Minister Paschal Donohoe, TD, and representatives from the Comptroller and Auditor General and the Department of Public Expenditure and Reform. The calendar of events covered many contemporary issues in governance, and key themes included: The Changing Environment and the Implications for the Governance of Organisations, Strategy Implementation, Assurance Arrangements, Roles and Responsibilities of Board Members, Board Evaluations and Enhancing Board Effectiveness, Communications and Media, Finance for Board Members, Risk Management and Risk Appetite, 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

Civil Service; Leadership and Management Development; Governance; Risk Management; Audit and Assurance; Internal Audit; Financial Management; IT and Cyber Security; GDPR and Data Protection; 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 an accredited audit programme 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 eighth run at the end of 2017, with the CIPD Foundation Level Diploma continuing to offer a follow-on pathway

provided relevant and practical advice and an overview of contemporary developments in these key governance areas.

The programme of events also included the annual Good Governance Conference, which was held on 16 March and addressed the main theme of 'The Road to Better Governance – Principles, Rules or Values?'. This thought-provoking conference included contributions from Mark Griffin, secretary general, Department of Communications, Climate Action and Environment; Blanaid Clarke, Trinity College Dublin; Joe O'Toole, former senator and president of ICTU; Andy Burns, CIPFA vice-president; and Tom Coughlan, former chief executive of Clare County Council. Another highlight of the year was the special event on periodic critical reviews, which included an input from Lesley Ann Nash, UK Cabinet Office. The IPA's Governance Team were actively involved in leading briefings and providing expert inputs and advice to a wide range of state and public interest bodies and agencies.

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, project and programme management, 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.



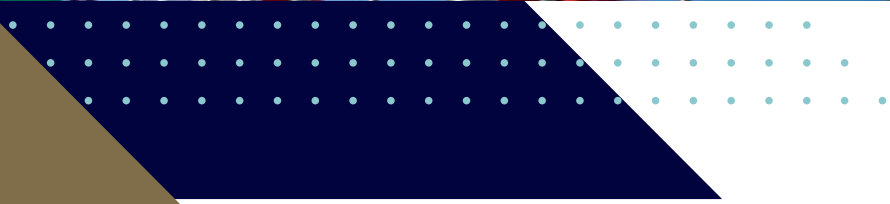
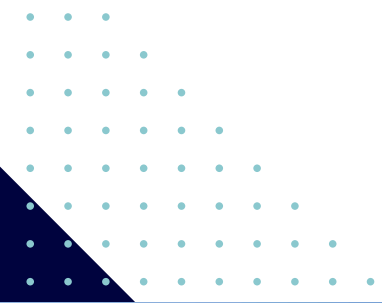
Pictured (l-r) at the Local Government Graduate Development Programme conferring ceremony were Teresa Casserly, Director, Leadership and Management, and International Services, IPA, and Tara Smith.



Teresa Casserly
Director, Leadership and Management,
and International Services



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



06

International Services

International Services

During 2017 International Services continued its remit to promote and develop effective public administration internationally and to showcase best practice from the Irish public service.

International Services continued its cooperation with the Department of Foreign Affairs and Trade to deliver a programme of support to the Western Balkans. A workshop on Leadership and Change Management was delivered in Bečići, Montenegro, in March, the objective of which was to provide the participants with a framework for leading and managing change in an international public service environment, including in meeting the major challenges involved in adopting and implementing the *acquis*. The workshop was attended by nine middle- and senior-ranking officials drawn from a variety of ministries and agencies, including the Ministry of Defence, Ministry of Foreign Affairs, Ministry of Sport, Ministry of Human and Minority Rights, Ministry of Public Administration and Office of EU Integration.

Also under the aegis of this programme, nine staff from the Civil Service Agency (CSA) in Bosnia & Herzegovina visited Ireland for a three-day programme on human resource management in early May. The CSA is in the early stages of introducing a competency-based model for use in selecting and interviewing candidates for employment in the Bosnian & Herzegovinian civil service. The agency felt that it would be timely to explore the use of competencies not only in selection but also in other HRM practices. These included succession planning, training and development, appraisal, reward and performance management generally. This was in the context of the major changes which have occurred in these regards in the Irish civil and public service and the changes that the Bosnian & Herzegovinian civil service continues to experience.

In addition to the Western Balkans programme, International Services partnered with GOPA, a German international consultancy which had tendered successfully for the EuropeAid project Technical Assistance on Strengthening National Civil Service Training Institutions, Myanmar. An IPA HRM specialist was deployed full-time between April and October 2017 to Myanmar to work in the Union Civil Service Board, one of the beneficiaries of the project, on curriculum development.

In 2017 International Services worked for the first time with the Office of the Civil Service Commission (OCSC) of the Royal Kingdom of Thailand. As part of its strategy

to enhance performance and service quality by preparing and retaining talented Thai civil servants for expert and management roles, we delivered two capacity-building training programmes: (i) Advanced Public Management and Leadership Programme and (ii) Talent Network. A third programme, to be delivered in 2018, has been commissioned on the success of the 2017 programmes.

Study visits included a senior delegation from the Directorate of European Union & Financial Assistance in the Ministry of Labour and Social Security, Turkey,

on the Irish experience of management and monitoring systems relating to the European Social Fund and observing best practice. We also continued to foster contacts with European and international organisations such as the Taiwan Institute of Economic Research, a senior government delegation from Malawi and the newly appointed Ambassador of Lithuania. We attended the DISPA (Directors of Institutes and Schools of Public Administration) conference in Tallinn, Estonia, and hosted an ERASMUS-funded exchange visit.



Angsumalin Chatsuanwaree, pictured receiving her IPA Advanced Public Management and Leadership Programme Certificate.



Teresa Casserly
Director, Leadership and Management,
and International Services



07

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.

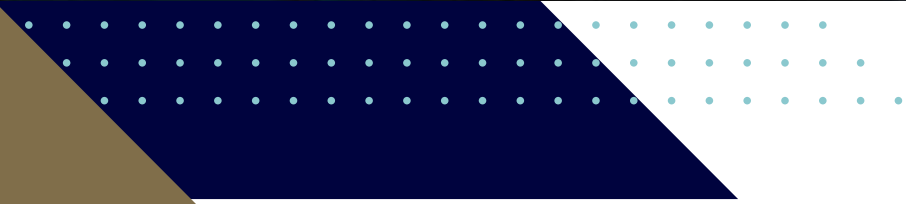
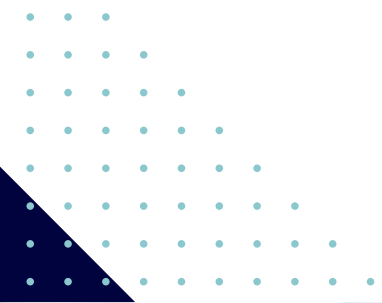
The aim of the Library is to provide the right information and resources in the most appropriate format and in a timely manner to a diverse and geographically dispersed

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



08

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.

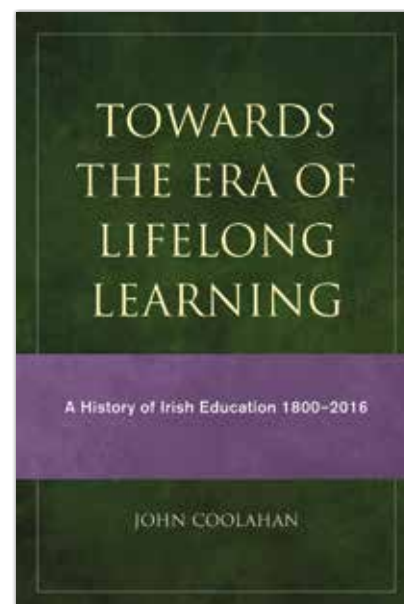
The year 2017 saw the completion of a number of projects and commencement of some new publishing initiatives.

BOOKS PUBLISHED

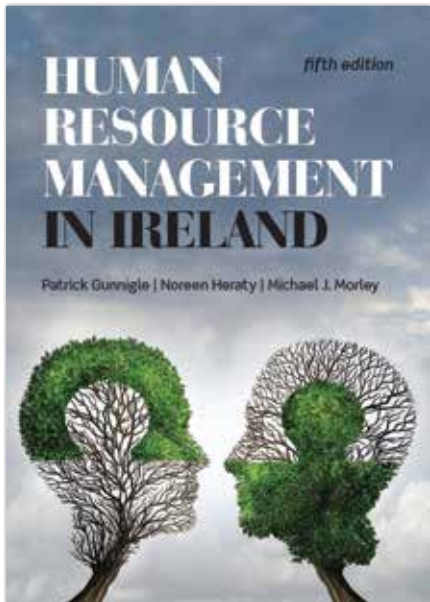
In line with the publishing strategy, overseen by the Institute's Book Publishing Committee, a number of texts were either completed or approved for publication.

These include:

- *Towards the Era of Lifelong Learning: A History of Irish Education 1800–2016*, by Professor John Coolahan. This book traces all aspects of formal education as it developed over 200 years. The book shows that the period from 1980 to 2016 saw a paradigm shift in policy as the state gradually moved to seeing education as a lifelong learning experience. The book was formally launched by the Minister for Education and Skills, Richard Bruton, TD, in September. Several other launches were organised around the country.



Pictured (l-r) at the launch of the book *Towards the Era of Lifelong Learning* were Richard Boyle, Head of Research, Publishing and Corporate Relations, IPA; John Coolahan, author; guest of honour Richard Bruton, TD, Minister for Education and Skills; and Marian O'Sullivan, Director General, IPA.



- *Human Resource Management in Ireland* (fifth edition), by Patrick Gunnigle, Noreen Heraty and Michael J. Morley. This book, published in September, provides a comprehensive overview of contemporary human resource management in Ireland while also addressing key international developments in the field. This latest edition continues the fine tradition started in 1990 with the publication of the first in-depth book on the topic, entitled *Personnel Management in Ireland: Practice, Trends and Developments*. Since then there have been comprehensive revisions in 1997, 2002, 2006, 2010 and now the latest edition in 2017.
- *Judicial Power in Ireland*, by Eoin Carolan (ed.). 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. It will be published in 2018.
- *No Artificial Limits: 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. It was published in early 2018.

- *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. It will be published in 2018.
- *Envoy Extraordinary: Professor Smiddy of Cork*, by Eda Sagarra. Timothy Aloysius Smiddy (1875–1962) contributed to the political, economic, diplomatic and educational evolution of the Irish Free State and the later Republic of Ireland. Despite the many 'firsts' he achieved and his unique role as advisor to all three first heads of government of the Provisional Government and the Free State, Smiddy remains an elusive figure in Irish historiography. This publication redresses that situation. It will be published in 2018.
- *Local Government in the Republic of Ireland*, by Mark Callanan. This book aims to introduce readers to the system of local government in the Republic of Ireland. The book is mainly focused on contemporary local government. It is due for publication in 2018.

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

- *The Practice of Human Resource Management* [State of the Public Service Series Research Paper No. 20], by Joanna O'Riordan;
- *Public Sector Trends 2017* [State of the Public Service Series Research Paper No. 21], by Richard Boyle;
- *€300k – Have Your Say: Evaluation of South Dublin County Council Pilot Participatory Budgeting Exercise*, by Laura Shannon and Richard Boyle;
- *Learning Lessons from The Atlantic Philanthropies and the Irish Government Working Together: Report of a Roundtable Dialogue*, by Richard Boyle.

IRELAND – A DIRECTORY

Ireland – A Directory 2018 was published in December. The Directory was launched by Minister of State Mary Mitchell O'Connor, TD. Speaking at the launch, she said that *Ireland – A Directory 2018* was a valuable resource for both the public and private sectors. The Directory provides a 'one-stop' source of information, presenting Ireland in a coherent manner both at home and abroad.

ADMINISTRATION JOURNAL

Four issues of the Institute's journal, *Administration*, were published throughout the year. These included two special issues: 'Democratic Revolution? Evaluating the Political and Administrative Reform Landscape after the Economic Crisis' and 'How Policy and Budget Proofing can Advance Human Rights and Equality in Ireland'. All issues and articles from volume 63 onwards are freely available online: www.degruyter.com/view/j/admin

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. 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



09

Awards &
Prizewinners

Awards & Prizewinners

A total of 860 students received diplomas, bachelor degrees or postgraduate degrees during 2017. The conferring ceremonies took place in Dublin Castle on Friday, 1 December 2017. The prizes awarded at these ceremonies were as follows:

Bachelor of Arts (Hons) (Healthcare Management)

First Place: **Mary Reid**

Bachelor of Arts (Hons) (Human Resource Management)

First Place: **Keith Hillick**

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

First Place: **Kate Daly Ní Bhroin**

Bachelor of Arts (Hons) (Local Government)

First Place: **Alison King**

Bachelor of Arts (Hons) (Management)

First Place: **Paul McCann**

Bachelor of Arts (Hons) (Public Management)

Joint First Place: **John Manning, John O'Reilly**

Bachelor of Arts (Hons)/Bachelor of Business Studies (Hons) (IT Management)

First Place: **Séamus McCarthy**

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

First Place: **Emma Crosbie**

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

First Place: **Niamh Dooley**

Bachelor of Business Studies (Hons) (Marketing)

First Place: **Sharon Phelan**

Whitaker School of Government and Management Undergraduate Students of the Year 2017

Joint First Place: **Kate Daly Ní Bhroin, Sharon Phelan**

Master of Arts (Criminal Justice)

First Place: **Karl Moore**



Pictured at the 2017 IPA conferring ceremonies in Dublin Castle were Bishal Jaiswal, BBS (Hons), and his daughter Maia.

Master of Arts (Financial Management)

First Place: Jennifer Boer-Reid

Master of Arts (Healthcare Management)

Joint First Place: Joanna McGlynn, Clodagh Murphy

Master of Arts (Human Resource Management)

First Place: Stephanie Harris

Master of Arts (Leadership and Strategy)

First Place: Harry Lester

Master of Arts (Local Government Management)

First Place: Edward Meegan

Master of Arts (Public Management)

First Place: **Michelle Hardiman**

Postgraduate Diploma in Public Management

First Place: **Pamela McDonnell**

Master of Economic Science in Policy Analysis

Joint First Place: **Olwen Dawe, Eoin Halpin**

Postgraduate Diploma in Policy Analysis

First Place: **Robert O'Driscoll**

Master of Science in Business and Management (Financial Management)

Joint First Place: **Anna Browne, Rebecca Murphy**

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

First Place: **Mary McSharry**

Whitaker School of Government and Management Postgraduate Student of the Year 2017

Michelle Hardiman

Professional Diploma in Housing Studies

First Place: **Andrew Loveland**

Professional Diploma in Human Rights and Equality

First Place: **Stephen Large**

Professional Diploma in Managing Change

First Place: **Anthony Macken**

Professional Diploma in Official Statistics for Policy Evaluation

Joint First Place: **Gillian Cronin, Andrew O'Sullivan**

Professional Diploma in Project Management

First Place: **Mary Hayes**

Professional Certificate in Governance

First Place: **Trevor Moore**

Diploma in Business Studies

Joint First Place: **Deborah Kelly, Lucy Pyne**

Diploma in Civil Service and State Agency Studies

First Place: **Kieran Harrington**

Diploma in Computer Studies

First Place: **Rory Quinn**

Diploma in Health Economics

Joint First Place: **Laura Byrne, Áine Varley**

Diploma in Healthcare Management

Joint First Place: **Hugh Ramsay, Mairéad Walsh**

Diploma in Human Resource Management

First Place: **Pauline Stafford**

Diploma in Law

First Place: **Órla Gillen**

Diploma in Local Government Studies

Joint First Place: **Mary Elizabeth O'Brien, Ruairí O'Farrell**

Diploma in Management

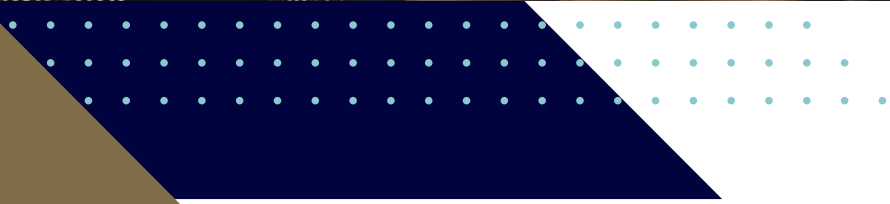
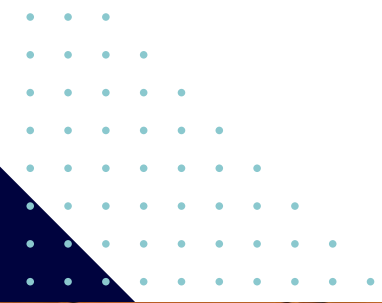
First Place: **Emer O'Neill**

Diploma in Public Management

First Place: **Martina Walshe**

Diploma in Public Procurement

First Place: **Patricia Monahan**



10

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 2017 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. The Director General is a member of a number of European and OECD networks of heads of schools and institutes of public administration worldwide.

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 2017 the Institute hosted a number of morning seminars to promote dialogue and debate amongst senior civil and public servants on key topics.



11

Financial Performance

Financial Performance

The Financial Statements that follow set out in detail the financial operation of the Institute for the year.

Following a number of years of trading difficulties and the subsequent stabilising of its finances during 2015 and 2016, the Institute generated a surplus of €415k in 2017.

The surplus reflects increased levels of activity in the ongoing challenging trading environment.

The Institute's earnings were made up of training and international services (30%), education fee income (41%), research income (3%), publications and membership income (4%), release of capital grants (1%) and a block grant (20%) paid by the Department of Public Expenditure and Reform.

The Institute's direct costs (costs that are incurred in the running of its education and training programmes) increased during 2017 (due to the increased levels of activity), while salary costs increased due to some pay restoration and associate costs.

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 2016 levels, at €1.445m. 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 2017. This resulted in a full-year interest charge of €16,187, down from €19,798 in 2016.

In overall financial management terms, the Institute continued to stabilise and slightly grow its finances during 2017. In addition, the IPA's Balance Sheet reserves remain good at over €13.6m.

FINANCIAL PROSPECTS FOR 2018

As stated above, there was a positive financial performance in 2017, which is expected to continue into 2018.

The Institute's block grant remains at €2.725m for 2018 (the same as 2017), a positive support from its parent department.

The IPA has budgeted for 2018 turnover at €12.0m with a surplus of €117k. The IPA plans to continue modest recruitment in key areas to continue to deliver its programmes and avail of potential business opportunities.

COMPLIANCE

The Institute complied with its financial, taxation and regulatory obligations during 2017, and continued to review and update its corporate governance structures in line with the 2016 *Code of Practice for the Governance of State Bodies*.

**THE INSTITUTE OF PUBLIC ADMINISTRATION
(COMPANY LIMITED BY GUARANTEE)**

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2017**

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THE INSTITUTE OF PUBLIC ADMINISTRATION
(Company Limited by Guarantee)

DIRECTORS AND OTHER INFORMATION
For the year ended 31 December 2017

DIRECTORS

Martin O'Halloran (Chair)
Marian O'Sullivan (Director General)
Elizabeth Adams
Mark Callanan (Retired June 2017)
Raymond Dolan
Lucy Fallon-Byrne
Pat Gallagher
Carolyn Gormley (Appointed June 2017)
Connie Kelleher
Paul Lemass
Fergal Lynch
Stephen Mulvany
Pat Naughton (Appointed May 2017)
Siobhan O'Halloran

SECRETARY & REGISTERED OFFICE

Paul Turpin
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

SOLICITORS

Eversheds
Earlsfort Terrace
Dublin 2

**COMPANIES REGISTRATION OFFICE
NUMBER**

21087

REGISTERED CHARITY NUMBER

20008031

CHY (REVENUE) NUMBER

5401

GOVERNANCE

The IPA Board

The IPA's Constitution (as amended in 2017) specifies the composition of the Board and the organisations, which are responsible for nominating members to the Board. The Articles also provide that one member may be appointed by co-option.

The Board membership for 2017 was as follows:

- Mr Martin O'Halloran (Chair), CEO, Health and Safety Authority
- Dr Marian O'Sullivan, Director General, IPA
- Dr Fergal Lynch, Secretary General, Department of Children and Youth Affairs
- Mr Stephen Mulvany, Chief Financial Officer, Health Service Executive
- Ms Elizabeth Adams, Director of Professional Development, Irish Nurses & Midwives Organisation (INMO)
- Ms Carolyn Gormley, IPA Staff Representative (appointed June 2017)
- Dr Mark Callanan (retired June 2017)
- Mr Pat Naughton, Executive Director, Group People and Sustainability, ESB (appointed May 2017)
- Dr Pat Gallagher, Chief Executive, Westmeath County Council
- Dr Lucy Fallon-Byrne, Assistant Secretary, Department of Public Expenditure and Reform
- Mr Ray Dolan, CEO, Safefood
- Mr Connie Kelleher, Student Representative
- Mr Paul Lemass, Assistant Secretary, Department of the Environment, Community & Local Government
- Dr Siobhan O'Halloran, Chief Nursing Officer, Department of Health

The IPA Senior Management Team

Dr Marian O'Sullivan is the Director General of the Institute of Public Administration and as the Chief Executive Officer is ultimately responsible for all of the operations of the IPA. Overall management of the IPA's affairs is the responsibility of the senior management group (SMG).

The members of the SMG are

- Dr Marian O'Sullivan, Director General
- Dr Michael Mulreany, Assistant Director General, Registrar and Head of the Whitaker School of Government and Management
- Ms Teresa Casserly, Director, Training & Development and International Services
- Mr Aidan Horan, Director, Training & Development and Consultancy Services
- Dr Richard Boyle, Head of Research, Publishing and Corporate Relations
- Dr Cyril Sullivan, Director of Finance, IT and Facilities (January 2017 to September 2017)
- Ms Christine McNally, Human Resources Manager
- Mr Joseph O'Malley, acting Finance Director (October 2017 to December 2017)

BOARD RESPONSIBILITIES

Matters Reserved for the Board

The *Code of Practice for the Governance of State Bodies* outlines all the matters specifically reserved for Board decision. The following key matters are reserved for Board decision:

- Approval of Annual Report, Annual Budget and Corporate Business Plan;
- Approval of the Annual Accounts;
- Terms of reference of the Board committees;
- Delegated authority levels, treasury policy and risk management policies.

THE INSTITUTE OF PUBLIC ADMINISTRATION

(Company Limited by Guarantee)

GOVERNANCE STATEMENT AND DIRECTORS' REPORT

For the year ended 31 December 2017

The Institute's Articles of Association set out the role of the Board and that of the Director General. The Articles state, "The business of the Institute shall be managed by the Board" They state that the Board shall:

1. Have power to delegate any of their business, functions and powers of management to the Director General;
2. Approve terms of major contracts;
3. Have power to appoint subcommittees (including ones with the powers of the Board) etc.;
4. Determine and review the aims and objectives of the Institute and determine changes in policy;
5. Ensure that these aims are attained by formulating and reviewing policies and by supervising the carrying on of the Institute's business;
6. Determine/approve the annual budget and corporate plans; appoint the Director General; and on his/her recommendation, appoint such other officers as the Board may wish from time to time;
7. Approve significant amendments to the pension benefits of the CEO and staff.

The Chair and Board are strongly guided by the principles of the 2016 *Code of Practice for the Governance of State Bodies*.

The Institute is required to prepare financial statements for each financial year in such form as may be approved by the Minister for Public Expenditure and Reform. In preparing those financial statements, the IPA is required to:

- Select suitable accounting policies and then apply them consistently;
- Ensure that any judgements and estimates that are made are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Ensure the financial statements present a true and fair view of IPA's financial performance and financial position at year end; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the IPA will continue in operation.

The IPA is responsible for keeping adequate accounting records which disclose with reasonable accuracy, at any time, the financial position of the Institute and which enable it to ensure that the financial statements comply with the Code of Practice obligations. The IPA is also responsible for safeguarding its assets and for taking reasonable steps for the prevention and detection of fraud or other irregularities.

The Board is responsible for approving the annual business plan and budget. The performance of the IPA against the annual business plan and budget is evaluated at every Board meeting.

The Board considers the financial statements give a true and fair view of the financial performance and the financial position of the Institute at 31 December 2017.

GOVERNANCE STATEMENT AND DIRECTORS' REPORT
For the year ended 31 December 2017

BOARD STRUCTURE

The Board's composition is outlined in the IPA Memorandum and Articles.

The Board is satisfied that its Members are free from any business or other relationship that could materially affect, or could appear to affect, the exercise of their independent judgement.

All Board Members disclose any interest and absent themselves from Board discussions and decisions where they are conflicted or gave a direct or indirect interest as required by the Code of Practice.

Board membership and terms of office are detailed in Table 1 below:

Table 1: Board membership and term of office

Ref	Name	Role	Date of appointment	Current term ends
1	Mr Martin O'Halloran	Chairperson	November 2012	September 2018
2	Ms Elizabeth Adams	Ordinary Member	June 2014	September 2018
3	Dr Mark Callanan	Ordinary Member	June 2014	June 2017
4	Mr Ray Dolan	Ordinary Member (Co-Opted)	February 2009	
5	Dr Lucy Fallon Byrne	Ordinary Member	December 2016	December 2019
6	Dr Pat Gallagher	Ordinary Member	June 2016	September 2019
7	Ms Carolyn Gormley	Ordinary Member	June 2017	September 2020
8	Mr Connie Kelleher	Ordinary Member	June 2012	September 2018
9	Mr Paul Lemass	Ordinary Member	October 2014	September 2018
10	Dr Fergal Lynch	Ordinary Member	June 2016	June 2019
11	Mr Stephen Mulvany	Ordinary Member	June 2016	June 2019
12	Mr Pat Naughton	Ordinary Member	May 2017	May 2020
13	Dr Siobhan O'Halloran	Ordinary Member	June 2014	September 2018
14	Dr Marian O'Sullivan	Director General Ordinary Member	October 2015	

The Board has established three committees, as follows:

1. **The Audit and Risk Committee:** comprises of six Board members. The role of the Audit and Risk Committee (ARC) is to support the Board in their responsibilities for issues of risk, control and governance by reviewing the comprehensiveness of assurances in meeting the Board's assurance needs and reviewing the reliability and integrity of these assurances.

The ARC formally reports to the Board, providing such information or advice as deemed appropriate through the ARC's Chair's regular presentations to the Board about committee activities, issues and related recommendations. The ARC provides the Board with an Annual Report, timed to support finalisation of the annual report and financial statements, summarising its conclusions from the work it has done during the year. The members of this committee are:

Ray Dolan (Chair), Dr Fergal Lynch, Pat Naughton (appointed June 2017), Elizabeth Adams, Siobhan O'Halloran, Connie Kelleher

GOVERNANCE STATEMENT AND DIRECTORS' REPORT
For the year ended 31 December 2017

2. **The Administration Committee:** comprises of five Board members. The role of the Administration Committee is to assist the Board in considering management proposals concerning the provision, acquisition and disposal of property for the Institute and their financial implications; to approve the authorised staff complement of the Institute; to approve the creation of permanent, full-time and contract posts; and to review the Director-General's reports on manpower issues, industrial relations and any other issues referred to it by the Director-General; and to ensure that best practices in personnel and management policies are carried out in the Institute. The members of this committee are:

Mr Martin O'Halloran, Ms Elizabeth Adams, Dr Lucy Fallon Byrne, Dr Pat Gallagher, Dr Fergal Lynch

3. **Finance and Strategy Committee:** comprises of seven Board members. The role of the Finance and Strategy Committee is to assist the Board in drafting the annual corporate plan and to monitor its implementation and to examine the draft annual budget and make recommendations to the Board in relation to it. When the annual operating budget is approved, the Committee reviews its implementation during the course of the year and examines management's accounts of the Institute from time to time. The members of this committee are:

Mr Martin O'Halloran (Chair), Ms Carolyn Gormley (Appointed June 2017), Mr Stephen Mulvany, Dr Pat Gallagher, Dr Fergal Lynch, Dr Marian O'Sullivan, Mr Paul Lemass

All committees formally report to the Board, providing such information or advice as deemed appropriate, through the Committee Chairperson's presentations from time to time to the Board about committee activities, issues and related recommendations. All three committees provide the Board with a report, timed to support finalisation of the Annual Report and Financial Statements, summarising its conclusions from the work it has done during the year.

Schedule of Board Members' Attendance, Fees* and Expenses

A schedule of attendance at the Board and Committee Meetings for 2017 is set below including the fees and expenses received by each member.

Board Member	Board meeting	Audit & Risk Committee	Finance & Strategy Committee	Administration Committee
Mr Martin O'Halloran	7 of 7		2 of 2	1 of 1
Ms Elizabeth Adams	4 of 7	1 of 5		0 of 1
Dr Mark Callanan	3 of 4			
Mr Ray Dolan	5 of 7	5 of 5		
Dr Lucy Fallon-Byrne	5 of 7			0 of 1
Dr Pat Gallagher	5 of 7		2 of 2	1 of 1
Ms Carolyn Gormley	3 of 3		1 of 2	
Mr Connie Kelleher	3 of 7	2 of 5		
Mr Paul Lemass	4 of 7		0 of 2	
Dr Fergal Lynch	7 of 7	5 of 5	1 of 2	1 of 1
Mr Stephen Mulvany	4 of 7		2 of 2	
Mr Pat Naughton	2 of 3	1 of 3		
Dr Siobhan O'Halloran	2 of 7	2 of 5		
Dr Marian O'Sullivan	7 of 7		2 of 2	

GOVERNANCE STATEMENT AND DIRECTORS' REPORT
For the year ended 31 December 2017

Ref	Name	2017 Fees	2017 Expenses
1	Mr Martin O'Halloran	0	0
2	Ms Elizabeth Adams	0	0
3	Dr Mark Callanan	0	0
4	Mr Ray Dolan	0	0
5	Dr Lucy Fallon-Byrne	0	0
6	Dr Pat Gallagher	0	0
7	Ms Carolyn Gormley	0	0
8	Mr Connie Kelleher	0	0
9	Mr Paul Lemass	0	0
10	Dr Fergal Lynch	0	0
11	Mr Stephen Mulvany	0	0
12	Mr Pat Naughton	0	0
13	Dr Siobhan O'Halloran	0	0
14	Dr Marian O'Sullivan	0	0

*As per paragraph 6 of the IPA's Memorandum of Association, fees are not payable to IPA Board Members.

Key Personnel Changes

Cyril Sullivan, the Director of Finance and Support Services/ Company Secretary, left at the end of September 2017. Interviews to fill the permanent post take place in September 2018; the post has been filled by an internal staff member on an acting basis.

Disclosures Required by the Code of Practice for the Governance of State Bodies (2016)

The Board is responsible for ensuring that IPA has complied with the requirements of the *Code of Practice for the Governance of State Bodies* ("the Code"), as published by the Department of Public Expenditure and Reform in August 2016. The following disclosures are required by the Code:

Employee Short-Term benefits breakdown

Employees' short-term benefits in excess of €60,000 are disclosed in Note 5 of the financial statements.

Note: For the purposes of this disclosure, short-term employee benefits in relation to services rendered during the reporting period include salary, overtime and other payments made on behalf of the employee, but exclude employer's PRSI.

GOVERNANCE STATEMENT AND DIRECTORS' REPORT
For the year ended 31 December 2017

Consultancy Costs

Consultancy costs include the cost of external advice to management and exclude outsourced 'business-as-usual' functions.

	2017	2016
	€	€
Legal Advice	11,103	984
Financial/actuarial advice	Nil	Nil
Public Relations/marketing	Nil	Nil
Human Resources	23,351	3,794
Business improvement	21,203	Nil
Other	Nil	Nil
Total consultancy costs	55,657	4,778

No consultancy costs have been capitalised.

Legal Costs and Settlement

The table below provides a breakdown of amounts recognised as expenditure in the reporting period in relation to legal costs, settlements and conciliation and arbitration proceedings relating to contracts with third parties. This does not include expenditure incurred in relation to general legal advice received by the IPA, which is disclosed in Consultancy Costs above.

	2017	2016
	€	€
Legal fees – legal proceedings	Nil	Nil
Conciliation and arbitration payments	Nil	Nil
Settlement	Nil	Nil
Total		

Travel and Subsistence Expenditure

Travel and subsistence expenditure is categorised as follows:

	2017	2016
	€	€
Domestic		
• Board	Nil	Nil
• Employees	90,295	87,239
International		
• Board	Nil	Nil
• Employees	58,143	40,800
Total	148,438	128,039

Hospitality Expenditure

The Income and Expenditure Account includes the following hospitality expenditure:

	2017	2016
	€	€
Staff hospitality	26,638*	3,953
Client hospitality	Nil	Nil
Total	26,638	3,953

*Includes €20,000 for gift vouchers for members of staff for Christmas bonuses.

GOVERNANCE STATEMENT AND DIRECTORS' REPORT
For the year ended 31 December 2017

As part of the Boards' continuing oversight of the control environment in the IPA, the Board receives regular assurances from the Director General and Senior Management Team in relation to the legal and regulatory environment as it applies to public bodies including the following:

Freedom of Information Act 2014

The Freedom of Information (FOI) Act 2014 provides that every person has, subject to certain exemptions specified in the Act, the right to:

- Access official records held by Government Departments and all public bodies that conform to the provisions of Section 6 of the Act;
- Have personal information held on them corrected or updated where such information is incomplete, incorrect or misleading; and
- Be given reasons for decisions taken by public bodies that affect them.

Official Languages Act 2003

The primary purpose of the Official Languages Act 2003 is to promote the use of Irish for official purposes in the State by increasing and improving the quantity and quality of services provided for the public through Irish by public bodies. The Act, and Regulations made under the Act, place specific requirements on public bodies, including the IPA, in relation to the use of Irish, for example in responding to correspondence received in the Irish language, the use of the Irish language on stationery, signs, etc. and the publication of certain documents bilingually.

An important provision of the Act is the requirement under Section 11 for Public Bodies, following a request by the Minister for Arts, Heritage, Regional, Rural and Gaeltacht Affairs, to prepare a scheme detailing the services the public body will provide through the medium of Irish, English, and Irish and English.

Data Protection Acts 1988 & 2003

The Data Protection Acts of 1988 and 2003 are designed to protect an individual's privacy. The Acts confer rights on individuals in relation to the privacy of their personal data as well as responsibilities on those persons holding and processing such data. In particular, they provide for the collection and use of data in a responsible way, while providing protection against unwanted or harmful uses of the data.

During 2017, work continued on a programme to develop and update a suite of documents setting out IPA policy and procedures aimed at ensuring our compliance with the requirements of the current Data Protection legislation and the General Data Protection Regulation (GDPR). The GDPR is due to be implemented in May 2018 and will replace the current legislation in force in this area.

Customer Service

The provision of quality customer service is central to the Institute's activities and we strive to continually improve our business practices in order to provide the highest standards in our dealings with our customers.

Compliance with other Legislation

IPA complies with corporate governance and other obligations including the:

Ethics in Public Office Act 1995 (as amended);
Standards in Public Office Act 2001;
Official Languages Act 2003;
Data Protection Acts 1988 & 2003;
Disability Act 2005;
Safety, Health & Welfare at Work Act 2005;
Freedom of Information Act 2014;
Regulation of Lobbying Act 2015;
Prompt Payments Act 1997.

Statement of Compliance

The IPA has substantially complied with the requirements of the **Code of Practice for Governance of State Bodies 2016** as published by the Department of Public Expenditure and Reform insofar as was possible due to the unique nature of the IPA. The Board oversaw a review of the IPA's performance against the *Code of Practice for Governance of State Bodies 2016*, and where non-compliance was identified, a work programme is being put in place throughout 2018, which will be overseen by the Board, to bring the IPA into full compliance. Please refer to the Procurement section in the Statement of Internal control. The Board is satisfied with the level of compliance in relation to the **Code of Practice for Governance of State Bodies 2016** as at year end 31st December 2017, having due regard to the guidance issued by the Department of Public Expenditure and Reform issued in November 2017.

On behalf of the Board



Martin O'Halloran
Chairperson

Date: 5 September 2018

STATEMENT ON INTERNAL CONTROL
For the year ended 31 December 2017

Scope of Responsibility

On behalf of the Institute of Public Administration, I acknowledge the Board's responsibility for ensuring that an effective system of internal control is maintained and operated. This responsibility takes account of the requirements of the *Code of Practice for the Governance of State Bodies* (2016). In preparing this statement, the Board has considered a report on assurance arrangements and the review of the effectiveness of the system of internal control.

Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a tolerable level rather than to eliminate it. The system can therefore only provide reasonable and not absolute assurance that assets are safeguarded, transactions authorised and properly recorded and that material errors or irregularities are either prevented, or detected in a timely way. The system of internal control, which accords with guidance issued by the Department of Public Expenditure and Reform, has been in place in the Institute of Public Administration for the year ended 31 December 2017 and up to the date of approval of the financial statements.

Capacity to Handle Risk

The Institute has an Audit and Risk Committee (ARC) comprising six Board members and including members with financial and audit expertise. The ARC met five times in 2017. The Institute has also established an internal audit function, which is adequately resourced and conducts a programme of work agreed with the ARC.

The ARC has developed a risk management policy, which sets out its risk appetite, the risk management processes in place, and details the roles and responsibilities of staff in relation to risk. The Board of the IPA at its December 2017 meeting, adopted this policy. This policy takes account of findings of an Internal Audit report and findings regarding the Institute's risk management framework.

In quarter 1 2018, this will be issued to all staff who are expected to work within The Institute of Public Administration's risk management policies, to alert management on emerging risks and control weaknesses and assume responsibility for risks and controls within their own area of work.

Risk and Control Framework

The Institute of Public Administration's risk management system identifies and reports key risks and the management actions being taken to address and, to the extent possible, mitigate those risks.

A risk register is in place, which identifies the key risks facing the Institute, and these have been identified, evaluated and graded according to their significance. The register is a standing Board and ARC agenda item and is reviewed at each meeting. The outcome of these assessments is used to plan and allocate resources to ensure risks are managed to an acceptable level.

The risk register details the controls and actions needed to mitigate risks and responsibility for operation of controls assigned to specific staff. The Board confirms that a control environment containing the following elements is in place:

- Procedures for key business processes have been documented. During 2017, a review of policies and procedures was undertaken by the Executive. Exceptions were noted, with a view to addressing them by introducing additional standard operating procedures where desirable.
- Financial responsibilities have been assigned at management level with corresponding accountability.
- There is an appropriate budgeting system with an annual budget which is kept under review by senior management.
- The information and communication technology systems have been reviewed and strengthened. An internal audit review of the IT general controls was undertaken in 2017.
- There are systems in place to safeguard the assets.

STATEMENT ON INTERNAL CONTROL
For the year ended 31 December 2017

Ongoing Monitoring and Review

Formal procedures have been established for monitoring control processes, and identified control deficiencies are then communicated to those responsible for taking corrective action and to management and the Board, where relevant, in a timely way. The Board confirms that the following ongoing monitoring systems are in place:

- Key risks and related controls have been identified and processes have been put in place to monitor the operation of those key controls and report any identified deficiencies.
- Reporting arrangements have been established at all levels where responsibility for financial management has been assigned.
- There are regular reviews by senior management of periodic and annual performance and financial reports which indicate performance against budgets/forecasts.

Procurement

The Board confirms that the Institute has procedures in place to ensure compliance with current procurement rules and guidelines. Matters arising regarding controls over procurement are highlighted under internal control issues below.

Review of Effectiveness

The Board confirms that the Institute has procedures in place to monitor the effectiveness of its risk management and control procedures. The Institute's monitoring and review of the effectiveness of the system of internal financial control is informed by the work of the internal and external auditors, the Audit and Risk Committee which oversees their work, and the senior management team within the Institute responsible for the development and maintenance of the internal financial control framework.

The Board can confirm that it oversaw the annual review of the effectiveness of the system of internal controls for 2017 and the output was assessed at the Board's meeting of the 8th March 2018. This was supported by a report to the ARC on assurance arrangements and the review of the effectiveness of the system of internal control.

Internal Control Issues

Non-Compliant Procurement

The Board confirms that the Institute has procedures in place to ensure compliance with current procurement rules and guidelines. The Audit of the 2017 Financial Statements identified non-compliant procurement expenditure to the value of €527,360 which includes:

- Three areas relating to historical relationships with strategic partners who deliver accredited educational and training programmes with the IPA (€280,000).
- Two relating to:
 - the provision of catering where unit costs are actively reviewed (€65,000)
 - the provision of agency staff for the filling of temporary and short-term administrative posts which were required to cover maternity and other leave; and coverage for staffing requirements as a result of peaks in service demand (€165,000 which includes a 25% payroll service fee for temporary staff paid through the agencies payroll).
- One area relating to Management Consultancy advice (€18,000).

The Board has taken or is taking action to ensure full compliance with procurement rules which includes

- a review of procurement procedures and compliance by internal audit in Q3 2018;

THE INSTITUTE OF PUBLIC ADMINISTRATION
(Company Limited by Guarantee)

STATEMENT ON INTERNAL CONTROL
For the year ended 31 December 2017

- the designation of the incoming Director of Finance and Corporate Services as Chief Procurement Officer;
- initiation of competitive procurement processes in relation to the contracts outlined above.

The Board is satisfied that the steps taken will ensure compliance with the procurement rules.

Email System Failure

On Wednesday 27th September 2017, the IPA experienced a system failure which resulted in no emails being sent or received from the IPA account. The problem was fully resolved on Monday 2nd October 2017. The cause was identified as a corrupt database, which was hosted on end-of-life equipment. Appropriate corrective action has been taken to mitigate against the risk of such failures occurring in the future. Due to the nature of the fault, approximately two days of emails were unrecoverable. The IPA has confirmed with the Office of the Data Protection Commissioner that the loss of this data is not classified as a "data loss" as per the terms of the Data Protection Acts, 1988 & 2003.

On behalf of the Board

Martin O'Halloran

Martin O'Halloran
Chairperson

Dr Marian O'Sullivan

Dr Marian O'Sullivan
Director General

Date: 5th September 2018

Date: 5th September 2018



Ard Reachtaire Cuntas agus Ciste
Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Institute of Public Administration

Opinion on financial statements

I have audited the financial statements of the Institute of Public Administration (the company) for the year ending 31 December 2017 as required under the provisions of section 5 of the Comptroller and Auditor (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, including a summary of significant accounting policies.

In my opinion, the financial statements

- give a true and fair view of the assets, liabilities and financial position of the company at 31 December 2017 and of its income and expenditure for 2017
- have been properly prepared in accordance with Financial Reporting Standard (FRS) 102 — *The Financial Reporting Standard applicable in the UK and the Republic of Ireland*, and
- have been properly prepared in accordance with the Companies Act 2014.

Basis of opinion

I conducted my audit of the financial statements in accordance with the International Standards on Auditing (ISAs) as promulgated by the International Organisation of Supreme Audit Institutions. My responsibilities under those standards are described in the appendix to this report. I am independent of the company and have fulfilled my other ethical responsibilities in accordance with the standards.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions related to going concern

As described in the appendix to this report, I conclude on

- the appropriateness of the use of the going concern basis of accounting by the directors and
- whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern.

I have nothing to report in that regard.

Opinion on matters prescribed by the Companies Act 2014

Based solely on the work undertaken in the course of the audit, I report that in my opinion

- the information given in the directors' report is consistent with the financial statements, and
- the directors' report has been prepared in accordance with the Companies Act 2014.

I have obtained all the information and explanations that I consider necessary for the purposes 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, and the financial statements are in agreement with the accounting records.

The Companies Act 2014 also requires me to report if, in my opinion, the disclosures of directors' remuneration and transactions required by sections 305 to 312 of the Act are not made. I have nothing to report in that regard.


THE INSTITUTE OF PUBLIC ADMINISTRATION
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REPORT OF THE COMPTROLLER AND AUDITOR GENERAL
For the ended 31 December 2017

Report on information other than the financial statements, and on other matters

The directors have presented certain other information with the financial statements. This comprises the annual report including the governance statement and directors' report, and the statement on internal control. My responsibilities to report in relation to such information, and on certain other matters upon which I report by exception, are described in the appendix to this report.

I have nothing to report in that regard.


Patricia Sheehan

**For and on behalf of the
Comptroller and Auditor General**

12 September 2018

REPORT OF THE COMPTROLLER AND AUDITOR GENERAL
For the ended 31 December 2017

Appendix to the report

Responsibilities of the Directors

The governance statement and directors' report sets out the directors' responsibilities. The directors are responsible for

- the preparation of financial statements in the form prescribed under the Companies Act 2014
- ensuring that the financial statements give a true and fair view in accordance with FRS102
- ensuring the regularity of transactions
- assessing whether the use of the going concern basis of accounting is appropriate, and
- such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Responsibilities of the Comptroller and Auditor General

I am required under Section 5 of the Comptroller and Auditor General (Amendment) Act 1993 to audit the financial statements of the company and to report thereon to the Houses of the Oireachtas.

My objective in carrying out the audit is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement due to fraud or error. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the ISAs, I exercise professional judgment and maintain professional scepticism throughout the audit. In doing so,

- I identify and assess the risks of material misstatement of the financial statements whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- I obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls.
- I evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures.
- I conclude on the appropriateness of the use of the going concern basis of accounting and, based on the audit evidence obtained, on whether a material uncertainty exists related to events or conditions that may cast

significant doubt on the company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my report. However, future events or conditions may cause the company to cease being a going concern.

- I evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Information other than the financial statements

My opinion on the financial statements does not cover the other information presented with those statements, and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, I am required under the ISAs to read the other information presented and, in doing so, consider whether the other information is materially inconsistent with the financial statements or with knowledge obtained during the audit, or if it otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

Reporting on other matters

My audit is conducted by reference to the special considerations which attach to State bodies in relation to their management and operation. I report if there are material matters relating to the manner in which public business has been conducted.

I seek to obtain evidence about the regularity of financial transactions in the course of audit. I report if there is any material instance where public money has not been applied for the purposes intended or where transactions did not conform to the authorities governing them.

THE INSTITUTE OF PUBLIC ADMINISTRATION
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STATEMENT OF INCOME AND EXPENDITURE
For the year ended 31 December 2017

	Notes	2017	2016
		€	€
Income			
Fee Income	2	9,452,326	8,464,607
Sale of Publications	3	297,099	346,378
Subscriptions		254,936	263,655
Oireachtas Grant	4	2,629,000	2,629,000
Amortisation of Capital Grant	14	<u>149,823</u>	<u>149,823</u>
		12,783,184	11,853,463
Operating Expenditure			
Direct Costs	6	3,039,270	2,838,618
Salary Costs	7(b)	6,001,472	5,848,166
Administration Expenses	8	1,854,978	1,665,386
Interest Payable and Similar Charges		27,009	19,798
Retirement Benefit Cost	19(b)	<u>1,444,871</u>	<u>1,485,040</u>
		12,367,600	11,857,008
Operating (Deficit)/Surplus for the Year	5	<u>415,584</u>	<u>(3,545)</u>

All income and expenditure for the year relates to continuing activities at the reporting date. The Statement of Income and Expenditure includes all gains and losses recognised in the year. The Statement of Cash Flows and notes 1 to 21 form part of these Financial Statements.

On behalf of the Board



Ray Dolan
Director



Carolyn Gormley
Director

Date: 5th September 2018

Date: 5th September 2018

THE INSTITUTE OF PUBLIC ADMINISTRATION
(Company Limited by Guarantee)

STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2017

	2017	2016
	€	€
(Deficit)/Surplus after Exchequer Contribution	415,584	(3,545)
Experience Gain/(Loss) on Retirement Benefit Obligations	(1,771,000)	2,783,000
Change in Assumptions Underlying the Present Value of Retirement Benefit Obligations	8,000	(7,032,000)
Total Actuarial Gain/(Loss) in the Year	(1,763,000)	(4,249,000)
Adjustment to Retirement Benefit Funding	1,763,000	4,249,000
Total Comprehensive (Loss)/Income	415,584	(3,545)

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

On behalf of the Board



Ray Dolan
Director



Carolyn Gormley
Director

Date: 5th September 2018

Date: 5th September 2018

STATEMENT OF CHANGES IN EQUITY
For The year ended 31 December 2017

IN RESPECT OF CURRENT YEAR					
	Capital Reserve	Revenue Reserve	Accumulated Surplus on Income and Expenditure	Capital Grants	Total
	€	€	€	€	€
At 1 January 2017	9,086,032	2,675,516	1,069,516	513,491	13,344,555
Transfer to Capital Reserves	266,507	(266,507)	-	-	-
Amortisation of Capital Grant	-	-	-	(149,823)	(149,823)
Surplus on Statement of Income and Expenditure	-	-	415,584	-	415,584
At 31 December 2017	9,352,539	2,409,009	1,485,100	363,668	13,610,316

IN RESPECT OF PRIOR 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)
Surplus on Statement of Income and Expenditure	-	-	(3,545)	-	(3,545)
At 31 December 2016	9,086,032	2,675,516	1,069,516	513,491	13,344,555

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

On behalf of the Board



Ray Dolan
Director

Date: 5th September 2018



Carolyn Gormley
Director

Date: 5th September 2018

THE INSTITUTE OF PUBLIC ADMINISTRATION
(Company Limited by Guarantee)

STATEMENT OF FINANCIAL POSITION
For the year ended 31 December 2017

	Notes	2017 €	2016 €
Non-Current Assets			
Property, Plant & Equipment	10	14,704,425	15,024,144
Current Assets			
Inventory	9	88,006	81,811
Receivables	11	1,292,274	1,721,749
Cash and Cash Equivalents		4,686,612	3,281,485
		<u>6,066,892</u>	<u>5,085,045</u>
Payables			
Amounts Falling Due within One Year	12	<u>(5,018,501)</u>	<u>(4,353,645)</u>
Net Current Assets		<u>1,048,391</u>	<u>731,400</u>
Total Assets Less Current Liabilities		15,752,816	15,755,544
Payables			
Amounts Falling Due after One Year	13	<u>(2,142,500)</u>	<u>(2,410,989)</u>
Total Assets Less Liabilities		13,610,316	13,344,555
Long-Term Retirement Benefit Obligation	19(a)	(62,981,000)	(60,418,000)
Deferred Retirement Benefit Asset	19(a)	62,981,000	60,418,000
Net Assets		<u>13,610,316</u>	<u>13,344,555</u>
Representing			
Capital and Revenue Reserves		11,761,548	11,761,548
Accumulated Surplus on Income & Expenditure Account		1,485,100	1,069,516
Capital Grants	14	363,668	513,491
		<u>13,610,316</u>	<u>13,344,555</u>

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

On behalf of the Board



Ray Dolan
Director

Date: 5th September 2018



Carolyn Gormley
Director

Date: 5th September 2018

THE INSTITUTE OF PUBLIC ADMINISTRATION
(Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
For the year ended 31 December 2017

	2017	2016
	€	€
NET CASH FLOWS FROM OPERATING ACTIVITIES		
Operating (Deficit)/Surplus after Exchequer Contribution	415,584	(3,545)
Adjustments for:		
Interest Payable	27,009	19,798
Depreciation	677,089	627,816
Amortisation of Grants	(149,823)	(149,823)
Decrease/(Increase) in Inventories	(6,195)	45,589
(Increase)/Decrease in Receivables	429,475	(498,394)
Increase /(Decrease) in Payables	662,875	1,579,780
Net Cash Flows From Operating Activities	<u>2,056,014</u>	<u>1,621,221</u>
CASH FLOWS FROM INVESTING ACTIVITIES	2,056,014	1,621,221
Payments for Property, Plant and Equipment	<u>(357,371)</u>	<u>(154,988)</u>
Net Cash Flows From Investing Activities	<u>1,698,643</u>	<u>1,466,233</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest Paid	(27,009)	(19,798)
Decrease in 20-Year Mortgage Facility	<u>(266,507)</u>	<u>(264,527)</u>
Net Cash Flows from Financing Activities	<u>(293,516)</u>	<u>(284,325)</u>
Net Increase in Cash and Cash Equivalents	<u>1,405,127</u>	<u>1,181,908</u>

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

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 2017 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 historic 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

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2017

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 2017 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.

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 from the date of transfer 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 Charities Regulation Number is 2008031. Accordingly, no taxation charge has been included in the Financial Statements for the year ended 31 December 2017.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2017

(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.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2017

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 and 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

	2017	2016
	€	€
Training	3,864,005	3,660,512
Education	5,203,790	4,443,945
Research	384,531	360,150
	<u>9,452,326</u>	<u>8,464,607</u>

3. SALE OF PUBLICATIONS

	2017	2016
	€	€
Income from IPA Publications	<u>297,099</u>	<u>346,378</u>

4. OIREACHTAS GRANT

An amount of €2,725,000 (2016: €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 2017, no expenses were claimed by a Board member.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2017

(b) Remuneration of the Director General

In Respect of Current Year:

	Director General 2017 (€)	Director General 2016 (€)
Salary	133,698	127,635
Employer's PRSI	13,108	12,440
Pension Contribution	46,260	44,162
Travel and Subsistence	7,082	5,994

The IPA staff numbers in the following salary bands as of 31 December 2016 and 2017 were:

SALARY BAND (€) 2017	STAFF NUMBER	SALARY BAND (€) 2016	STAFF NUMBER
60,000 - 70,000	-	60,000 - 70,000	1
70,001 - 80,001	3	70,001 - 80,001	14
80,001 - 90,000	22	80,001 - 90,000	8
90,001 - 100,000	1	90,001 - 100,000	3
100,001 - 110,000	2	100,001 - 110,000	2
110,001 - 120,000	-	110,001 - 120,000	-
120,001 - 130,000	-	120,001 - 130,000	2
130,001 - 140,000	1	130,001 - 140,000	-
140,001 - 150,000	1	140,001 - 150,000	1

(c) Auditor's Remuneration	18,000	17,000
(d) Depreciation (Net of Disposals)	677,089	627,816
(e) Interest Payable on Sums Repayable Over a Period Greater than Five Years	27,009	19,798
(f) Capital Grant Amortised	(149,823)	(149,823)

6. ANALYSIS OF DIRECT COSTS

	2017 €	2016 €
Training	1,065,021	1,190,834
Education	1,757,758	1,404,942
Publications	135,955	165,956
Research	58,530	49,683
General	22,007	27,203
	<u>3,039,270</u>	<u>2,838,618</u>

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2017

7. EMPLOYEE INFORMATION

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

	2017	2016
Training	26	24
Education	27	28
Publications	5	4
Research	4	4
General	22	23
	<u>84</u>	<u>83</u>

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

	2017	2016
	€	€
Wages and Salaries	4,531,985	4,344,899
Associate Staff	839,429	878,516
Social Insurance Costs	565,953	556,984
Income Continuance Plan	64,105	67,767
	<u>6,001,472</u>	<u>5,848,166</u>

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

€245,228 (2016 €255,911) of retirement benefit levy has been deducted and paid over to the Department of Public Expenditure and Reform.

As a result of the IPA's redeployment of staff during 2012, there are a number of staff on secondment. As the seconded salary amounts are fully recouped, the salary figures presented exclude seconded amounts of €306,323 (2016: €391,207).

Permanent staff of the Institute appointed before 2015 avail of an Income Continuance Scheme. Staff appointed after 2015 are not eligible for the scheme.

8. ANALYSIS OF ADMINISTRATION EXPENSES

	2017	2016
	€	€
Repairs, Cleaning and Maintenance	329,642	409,570
Depreciation	677,089	627,816
Stationery and Photocopying	167,757	171,827
Light, Heat and Phone	145,879	119,484
Postage	70,026	46,699
Insurance	27,951	31,525
Corporate Affairs**	130,899	84,927
Staff Development	133,751	101,962*
General	171,984	71,576*
	<u>1,854,978</u>	<u>1,665,386</u>

*Some prior year expenditure has been re-analysed on the same basis as current year.

**Corporate Affairs (previously Corporate Affairs & Marketing, 2016) has been renamed to reflect reporting requirements as per the Code of Practice for the Governance of State Bodies 2016 in relation to Consultancy Costs. The IPA had no marketing consultancy expenditure in 2017.

9. INVENTORY

	2017	2016
	€	€
Stationery and Books	<u>88,006</u>	<u>81,811</u>

There are no inventories pledged as security.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2017

10. Property, Plant & Equipment

In respect of current year

	Land & Buildings^(a)	Office Machines	Furniture, Fittings, Equipment & Library Books	Total
	€	€	€	€
COST				
At 1 January 2017	20,607,256	1,668,342	1,912,014	24,187,612
Additions	-	-	357,371	357,371
At 31 December 2017	<u>20,607,256</u>	<u>1,668,342</u>	<u>2,269,385</u>	<u>24,544,983</u>
DEPRECIATION				
At 1 January 2017	6,170,353	1,614,524	1,378,591	9,163,468
Charge for the Year	410,365	7,579	259,145	677,089
At 31 December 2017	<u>6,580,718</u>	<u>1,622,103</u>	<u>1,637,736</u>	<u>9,840,557</u>
NET BOOK VALUE				
At 31 December 2017	<u>14,026,538</u>	<u>46,239</u>	<u>631,649</u>	<u>14,704,425</u>
At 1 January 2017	<u>14,436,903</u>	<u>53,818</u>	<u>533,423</u>	<u>15,024,144</u>

IN RESPECT OF PRIOR YEAR

	Land & Buildings^(a)	Office Machines	Furniture, Fittings, Equipment & Library Books	Total
	€	€	€	€
COST				
At 1 January 2016	20,607,256	1,668,342	1,757,026	24,032,624
Additions	-	-	154,988	154,988
Disposals	-	-	-	-
At 31 December 2016	<u>20,607,256</u>	<u>1,668,342</u>	<u>1,912,014</u>	<u>24,187,612</u>
DEPRECIATION				
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
At 31 December 2016	<u>6,170,353</u>	<u>1,614,524</u>	<u>1,378,591</u>	<u>9,163,468</u>
NET BOOK VALUE				
At 31 December 2016	<u>14,436,903</u>	<u>53,818</u>	<u>533,423</u>	<u>15,024,144</u>
At 1 January 2016	<u>14,847,268</u>	<u>61,397</u>	<u>588,307</u>	<u>15,496,972</u>

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2017

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	License with OPW by Way of Peppercorn Rent

11. RECEIVABLES

	2017	2016
	€	€
Trade Receivables	1,273,391	1,700,214
Exchequer Pensions ^(Note 19c)	8,789	3,703
Prepayments & Other Receivables	10,094	17,832
	<u>1,292,274</u>	<u>1,721,749</u>

Trade receivables are net of a provision for doubtful debts of €24,400 (2016: €24,400)

12. PAYABLES: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017	2016
	€	€
Bank Loans	266,507	264,527
Trade Payables	274,463	228,054
Deferred Fee Income	3,936,856	3,648,132
Sundry Payables and Accruals	318,983	212,932
PAYE/PRSI	221,692	-
	<u>5,018,501</u>	<u>4,353,645</u>

13. PAYABLES: AMOUNTS FALLING DUE AFTER ONE YEAR

	2017	2016
	€	€
€5m 20-Year Variable Rate Facility	<u>2,142,500</u>	<u>2,410,989</u>

The loan is repayable in instalments over a 20-year period. There are 8 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% (2016: 0.65%). 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:

	2017	2016
	€	€
Within 1 Year	266,507	264,527
Within 2–5 Years	799,521	788,640
After More than 5 Years	1,342,981	1,622,349
	<u>2,409,009</u>	<u>2,675,516</u>

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2017

14. CAPITAL GRANTS

	2017	2016
	€	€
At 1 January	513,491	663,314
Amount Amortised in the Year	<u>(149,823)</u>	<u>(149,823)</u>
At 31 December	<u>363,668</u>	<u>513,491</u>

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

	2017	2016
	€	€
Increase in Cash	1,405,127	1,181,908
Decrease in 20-Year Mortgage Facility	<u>266,507</u>	<u>264,527</u>
Movement in Net Debt During The Year	1,671,634	1,446,435
Net Debt at 1 January	<u>605,969</u>	<u>(840,466)</u>
Net Debt at 31 December	<u>2,277,603</u>	<u>605,969</u>

Analysis in Changes of Net Debt

	At 31 December	Cash Flows	At 31 December
	2016	€	2017
	€		€
Cash and Cash Equivalents	3,281,485	1,405,127	4,686,612
20-Year Mortgage Facility	<u>(2,675,516)</u>	266,507	<u>(2,409,009)</u>
Total	<u>605,969</u>	<u>1,671,634</u>	<u>2,277,603</u>

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

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2017

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 2017 was €62,981,000 (2016: €60,418,000) based on an actuarial valuation of the retirement benefit obligations in respect of Institute staff as at 31 December 2017 carried out by a qualified independent actuary for the purposes of FRS 102. A deferred funding asset of €62,981,000 equal to the liability at 31 December 2017 is recognised as a separate asset on the Balance Sheet. The actuarial review for FRS17 disclosures was completed for the purposes of the 2017 Financial Statements.

Movement in Retirement Benefit Obligation

	2017	2016
	€'000	€'000
Present Value of Scheme Obligations at 1 January	60,418	55,355
Current Service Cost	1,242	1,132
Plan Participant Contributions	66	63
Interest Cost	1,073	1,281
Actuarial Loss/(Gain)	1,763	4,249
Benefits Paid	(1,470)	(1,565)
Expenses Paid	(111)	(97)
Present Value of Scheme Obligations at 31 December	<u>62,981</u>	<u>60,418</u>
Retirement Benefit Asset at 31 December	<u>62,981</u>	<u>60,418</u>

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

Amount Charged to Expenditure	€'000
Employer's Pension Contributions Remitted to the Exchequer	1,445
Current Service Cost	1,308
Interest Cost	1,073
Adjustment to Deferred Exchequer Pension Funding	(2,381)
Total charged to Statement of Income and Expenditure	<u>1,445</u>

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2017

(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 (2016: €1.5m) and employee contributions of €101,843 (2016: €99,545). 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:

	2017	2016
	€	€
Balance at 1 January	(3,703)	(126,064)
IPA Contributions (Excl. Seconded)	1,444,871	1,485,040
IPA Seconded Staff	73,540	95,221
Total Institute Contributions ⁽ⁱ⁾	1,518,411	1,580,261
Employee Contributions	101,843	99,545
Retirement Benefit and Related Payments	(1,654,667)	(1,757,445)
Refund from/(Payments to) Exchequer	29,328	200,000
Balance at 31 December	<u>(8,789)</u>	<u>(3,703)</u>

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 €73,540 (2016: €95,221).

(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 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:

	2017	2016
Rate of Increase in Salaries	2.75%	2.75%
Rate of Increase in Retirement Benefits in Payment	2.75%	2.75%
Rate of Increase in Retirement Benefits in Deferment	2.75%	2.75%
Discount Rate	1.85%	1.80%
Inflation	1.75%	1.75%

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2017

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 2017:

	2017	2016
Male Member Age 65 (Current Life Expectancy)	21.2	21.1
Female Member Age 65 (Current Life Expectancy)	23.7	23.6
Male Member Age 45 (Life Expectancy at Age 65)	23.7	23.6
Female Member Age 45 (Life Expectancy at Age 65)	25.8	25.7
Male Member Age 40 (Life Expectancy at Age 65)	24.2	24.1
Female Member Age 40 (Life Expectancy at Age 65)	26.3	26.2

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

(e) Funding of Retirement Benefits

The IPA expects to contribute €1.5m to the Exchequer in 2018.

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 approve these financial statements and authorise them for issue on 5 September 2018.

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