



AN FORAS RIARACHÁIN
INSTITUTE OF PUBLIC
ADMINISTRATION



ANNUAL REPORT 2015

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CONTENTS

FOREWORD	05
DIRECTOR GENERAL'S REPORT	07
EDUCATION	10
RESEARCH	13
TRAINING & DEVELOPMENT	16
INTERNATIONAL SERVICES	19
LIBRARY & INFORMATION SERVICES	21
PUBLISHING	23
AWARDS & PRIZE WINNERS	26
OUTREACH	30
INSTITUTE GOVERNANCE & ADMINISTRATION	32
FINANCIAL PERFORMANCE	36
FINANCIAL STATEMENTS	39
INSTITUTE SENIOR MANAGEMENT	63





FOREWORD

FOREWORD

In November 2015 a *Corporate Governance Standard for the Civil Service* was published. This was the first time such a standard for the civil service as a whole had been agreed and produced. Good governance is central to the effective operation of government departments. It ensures that a framework of structures, policies and processes is in place to deliver on departmental statutory and policy obligations. Achieving excellence in governance is one of the commitments under the *Civil Service Renewal Plan*. Public bodies and many other organisations in receipt of public support must ensure that they have high standards of corporate governance and that they are in compliance with specified corporate governance codes.

Over the year, the IPA's Governance Forum, which was established in 2007, provided its members with a significant network of governance specialists, hosted a number of events and offered advice on governance issues from a public interest perspective. In 2015 the Forum applied a governance perspective to a wide range of issues, including reputation management and social media, the governance of regulation, and the skills and experience required of board members. Each event included speakers with high levels of practical experience and responsibilities in the areas discussed.

The IPA's *Public Sector Trends 2015* report, which examines trends in public sector development and is the sixth in its annual series, provides evidence to influence the debate on the future shape and size of the public sector and its role in Irish society. The report shows that public service delivery has faced significant challenges in recent years due to tight resources as well as demographic factors, including a growing population and rises in the number of people aged under fifteen and over sixty-five, and has done reasonably well overall. Through its research activity, the IPA continues to track and monitor public sector reform and its effects. The Institute itself also contributes significantly to the process of change and reform in the public sector through its training, education and advisory services.

The IPA was founded in Newman House, St Stephens Green, on 6 November 1957. When established, the Institute had a long list of objectives that, in practice, reduced themselves to three:

- i. promote the study and improve the standard of public administration;
- ii. develop the sense of vocation in public servants;
- iii. foster mutual understanding between the public and public servants.

The IPA, which will celebrate its sixtieth anniversary in 2017, has kept these objectives in its heart while adapting to the ever-changing demands of the world. The IPA is in a unique position to understand the issues of the day, and to partner with public service organisations as they seek to address new and different challenges. The experience of the IPA over the last number of years has mirrored the experience of the public service more generally. It has been a period of financial consolidation and retrenchment, of significant organisational change, but also a period of innovation. It is a tribute to the Institute and its staff that, at the same time as undertaking significant internal changes, new services and programmes were also brought forward to support clients at a time of change and challenge for them. The clients of the Institute have also been highly supportive of the Institute over the period, and I have seen this reflected in the deliberations of the Board, which is itself representative of the different parts of the public service.

The IPA has emerged strongly with renewed clarity about its mission and role, and strong connections to the public service and to academia, is well respected internationally and is well positioned to take advantage of the new opportunities ahead. I would like to thank the former Director General, Dr Brian Cawley, who retired in September 2015, for his outstanding contribution to the Institute over the past seven years in a period of very difficult financial challenge and organisational change. I also welcome his successor, Dr Marian O'Sullivan, who took up the post of Director General in October. The IPA represents a great resource that will continue to serve the public service for many years to come. I look forward to working with the IPA's staff and Board in developing the Institute's new strategic plan, which will be launched in 2016.



Niamh O'Donoghue
Chair

The IPA will
celebrate its sixtieth
anniversary in 2017.



DIRECTOR GENERAL'S REPORT

DIRECTOR GENERAL'S REPORT

On 1 October 2015 I took up the post of Director General of the IPA. I am immensely proud of the work of the IPA and its staff, and of what the Institute has achieved in working with public and civil servants and supporting public sector reform. I would also like to thank my predecessor, Dr Brian Cawley, who retired in September, for the major contribution he made to the Institute over the past seven years.

Crisis is now the new norm – we daily read of climate change, the financial crisis, the euro crisis, the debt crisis, ISIS, Syria, refugees, cyber threats. One may ask, what next? We now live in a VUCA world – a world of volatility (significant rate of change), uncertainty (unclear about the present), complexity (with multiple key decision factors) and ambiguity (lack of clarity about the meaning of events). The way we live, communicate, work and collaborate has fundamentally changed since the advent of the Internet. People connect in many different networks. The size of an organisation does not matter anymore; speed and creativity matter. Quality is created by people, processes and relationships. The big shift today is the move from institutions designed for scalable efficiency to institutions designed for scalable learning. So I ask the question, who will drive this transformation? Who will be the agents of change? Will it be the institutional leaders from above or the individuals on the ground or others from outside our organisations who will drive this? I believe all of us have a collective responsibility in driving and implementing change. Leaders will need to become comfortable with living in a state of perpetual beta mode.



Pictured at the launch and celebration of the fiftieth edition of the rebranded Administration Yearbook & Diary, now known as Ireland – A Directory, were Jim O'Donnell, originator of the Yearbook, and guest of honour Tánaiste Joan Burton, TD.

In 2011 we published a corporate strategy for the period 2011–2015 entitled *Professional Development and Public Service Renewal*. The strategy committed the Institute to positioning itself as the primary professional development agency for the public service. The strategy recognised the importance of lifelong learning, and that ongoing and active practical engagement with the system of public administration is a hallmark of an institute like the IPA. The year 2015 marked another important year in the implementation of that strategy. Towards the end of the year, the IPA commenced the process of developing its new strategic plan, which will be launched in 2016.

The conferring ceremony for UCD-accredited programmes took place on 11 December when 641 graduates were conferred. Over forty students from US colleges participated in parliamentary internship programmes, twenty-five students from the Seychelles studied on the MA in Leadership and Strategy programme, and over sixty students from Nanchang University studied on the Diploma in Business Studies programme. The IPA continues to offer programmes up to doctorate level. Throughout the recent economic recession the uptake on education programmes at the IPA has remained steady – with some growth at postgraduate level – and this trend continued for 2015.

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; Financial Management; Risk Management; Administrative Law; and Human Resource Management. On behalf of the Department of Public Expenditure and Reform, the Institute delivered Retirement Planning Training for Civil Servants at all levels, offering six programmes between January and June, which catered for some 345 participants. Thirty-four senior managers with administrative and technical roles from twenty different local authorities participated in the four-module Leadership in Local Government Programme. In partnership with the Local Government Management Agency, the Institute developed and delivered an extensive programme of induction for the 120 graduates recently recruited to local authorities. The Governance Forum continued to evolve and expand during 2015 in response to the many governance-related issues and challenges faced by members. The programme of events included the annual Good Governance Conference, which addressed the main theme of *Promoting a Good Governance Culture*.

Our Research Unit completed a number of important research reports during the year that continued to inform the ongoing process of public sector reform. These included *Public Sector Trends 2015* – the annual international comparative review of trends in the size, cost, quality and levels of trust in the public sector – and a report entitled *Organisational Culture and the Public Service*. This latter paper sets out what is meant by the term ‘organisational culture’; the relationship between organisational culture and performance; the role of effective leadership; and lastly how to assess, and if necessary change, organisational culture.

In 2015 we also celebrated the fiftieth anniversary of the *Administration Yearbook & Diary*, and used the occasion to rebrand the *Yearbook* as *Ireland – A Directory*. To mark the anniversary, a supplement was published highlighting some of the key milestones in public policy that have shaped Irish society over the past fifty years.

During the year, we hosted a number of study visits. In particular, the Institute hosted two delegations from Bosnia-Herzegovina looking separately at the successful Irish model of leveraging its diaspora through a dedicated policy framework and economic engagement, and at the cooperation between Irish local government and community-based organisations in the area of economic development and reconciliation. Staff completed three major research reports on civil service renewal in Cyprus as part of the EU-IMF reform programme.

As noted in previous annual reports, the Institute has experienced a number of very difficult years due to the economic recession and cutbacks in public sector spending. However, corrective actions were taken at an early stage, and this has allowed the Institute to benefit. A good financial performance was recorded again in 2015 and confirmed that the overall financial position has stabilised. The Institute is now very well placed to serve the changing needs of the public service.

Finally I'd like to express my personal thanks to the Chair of the IPA Board and the Board members and to all of our staff for their continued dedication and commitment to the IPA.

We daily read of climate change, the financial crisis, the euro crisis, the debt crisis, ISIS, Syria, refugees, cyber threats. One may ask, what next?



Dr Marian O'Sullivan

Dr Marian O'Sullivan
Director General



EDUCATION

EDUCATION

The IPA is the primary specialist provider of education to the public service in Ireland. The education services of the IPA are particularly important at this time of renewal and change in the public service, and our programmes aim to provide specialist skills and knowledge, a broadly based understanding of public policy, analytical skills and the opportunity for progression from level 6 awards right up to level 10 on the National Framework of Qualifications. Our programmes are also designed to provide a flexible and personalised service so as to facilitate and support students who are working full-time. In that context the provision of online support for students has become particularly important. Throughout the recent economic recession the uptake on education programmes at the IPA has remained steady – indeed, with some growth at postgraduate level – and this trend continued for 2015.

In 2015 the Institute continued to provide services to international students. Over forty students from US colleges participated in parliamentary internship programmes, twenty-five students from the Seychelles studied on the MA in Leadership and Strategy programme, and over sixty students from Nanchang University studied on the Diploma in Business Studies programme. During 2015 staff completed three major research reports on civil service renewal in Cyprus as part of the EU-IMF reform programme.

Over 800 students were enrolled on our undergraduate programmes in 2015.



Pictured (l-r) at the 2015 IPA conferring ceremonies in Dublin Castle were Michael Hayden, BBS (Hons) Information Systems Management; Alan Donohoe, BBS (Hons) Marketing; and Brian McDonagh, BBS (Hons) Marketing.

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 11 December 2015 when 641 graduates were conferred. An additional 200 students were presented with UCD certificates.

Over the academic year 2014/15, the Institute offered a suite of undergraduate and postgraduate programmes ranging from level 6 to level 10 of the National Framework of Qualifications.

Undergraduate Programmes

The flagship programmes – the Bachelor of Arts (Hons) and the Bachelor of Business Studies (Hons) – were offered through three delivery methods: lectures at the IPA, lectures at regional centres and distance education/blended learning. In 2014/15 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. Over fifty students were enrolled in 2014/15, as part of the fourth intake into the programme. Overall, just over 800 students were enrolled on our undergraduate programmes in 2015.

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 2015 the total number of students enrolled on Master of Arts programmes was approximately 185.

The Master of Economic Science in Policy Analysis is a two-year programme with the award of Postgraduate Diploma in Policy Analysis at the end of the first year. Students study a range of policy-related subjects in the first year and they work on applied dissertations in the second year. In 2014/15 eleven students enrolled on year one of the programme and seven students graduated in 2015 on completion of year two.

The Master of Science in Business and Management programme commenced in September 2011. This MSc is a two-year, part-time programme. The first graduates of the programme graduated in December 2013. A new intake of seventy students was enrolled on the programme in 2014/15.

The Professional Certificate in Governance is a one-year programme which was first offered in 2011. Thirty students were enrolled on the programme in 2014/15.

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 2014/15 forty students were enrolled on the doctorate programme.



Pictured (l-r) at the 2015 IPA conferring ceremonies in Dublin Castle were Edel Hennessy, BA (Hons) Human Resource Management, and Anne Marie Callaghan, BA (Hons) Law and the Administration of Justice.



Dr Michael Mulreany
Assistant Director General



RESEARCH

RESEARCH

The IPA has a small, full-time, dedicated team of staff undertaking applied research for government departments and other public sector bodies. The year 2015 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 objectives of developing an IPA 'voice' on key aspects of the transformation agenda, developing an IPA position on certain key aspects of change and building the IPA's reputation as a source of public sector reform expertise. Under the 'State of the Public Service' series, two reports were published in 2015:

Organisational Culture and the Public Service

Many times in recent years failings of the Irish public service have been blamed on organisational culture. This paper sheds light on organisational culture. In particular, the paper sets out what is meant by the term; the relationship between organisational culture and performance; the role of effective leadership; and lastly how to assess, and if necessary change, organisational culture. The report notes that to change a failing culture you need to take a number of steps, including:

- identifying leaders who can express and share the desired culture change;
- focusing on a few critical shifts in behaviour;
- understanding the importance of symbols and messaging;
- not only changing formal rules and codes, but also using informal networks and communities of interest;
- measuring and monitoring cultural change.

The report is available for download at www.ipa.ie/pdf/Organisational_Culture.pdf

Public Sector Trends 2015

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

This report is available for download at www.ipa.ie/pdf/PublicSectorTrends2015.pdf

Under the 'Local Government' research series a further report was published in 2015:

A Case-Study of the Tipperary County Council Merger

The merger of two county local authorities was unprecedented in Irish local government history. This study examines how it was managed. The report identifies lessons learned from the Tipperary merger for other public service organisations that may be engaged in increased cooperation or amalgamation.

This report is available for download at www.ipa.ie/pdf/TIPPERARY_MERGER_REPORT.pdf



Other areas of work undertaken by the research team in 2015 included:

- Support work for the local government review teams set up to examine local government arrangements in Cork and Galway.
- A study for The Atlantic Philanthropies on their role in influencing government policy with regard to public sector reform.
- Delivery of the Certificate and Diploma in Civil Service and State Agency Studies.
- Editorship of the Institute's journal, *Administration*, four editions of which are delivered each year. The editorial advisory committee of the journal, which includes prominent academics with a public management and politics background, meets once a year. De Gruyter Open, an academic publisher, began hosting the journal from spring 2015. All articles are available free to access.
- Collaboration with the Irish Regions Office in the production of three issues of *EU News Bulletin* and publication of two editions of *Local Authority Times* as part of an information service to local authorities throughout the year.
- Contribution to IPA Education & Training programmes, and acting as thesis supervisors and markers on postgraduate programmes.
- Contribution to IPA Publications Division through involvement in production of *Ireland – A Directory*, journals and books.
- Academic publications in international journals and contributions to international books on public management.

The merger of Tipperary's two county local authorities was unprecedented in Irish local government history.



Dr Richard Boyle
Head of Research



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 information technology (IT), including accredited programmes which lead to formal membership of professional bodies. During 2015 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. On behalf of the Department of Public Expenditure and Reform, the Institute delivered Retirement Planning Training for Civil Servants at all levels, offering six programmes between January and June, which catered for some 345 participants.

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

Thirty-four senior managers with administrative and technical roles from twenty different local authorities participated in the four-module Leadership in Local Government Programme, delivered in conjunction with senior faculty from the Warwick Business School and senior practitioners in the local government system. The 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 and to understand their own challenges and capabilities.

In partnership with the Local Government Management Agency, the Institute developed and began an extensive programme of induction for 120 graduates recently recruited to local authorities. The programme, which commenced in May, will extend over a two-year period and will include the mentoring of graduates to secure professional certification during the second year.

The Governance Forum continued to evolve and expand during 2015 in response to the many governance-related issues and challenges faced by members. The calendar of events covered many contemporary issues in governance, and key themes included *The Changing Economic Environment and the Implications for the Governance of Organisations?*; *Meeting the Governance Expectations of Funders – Key Governance Issues for Organisations in Receipt of Funds*; *Board Reviews – Identifying Ways to Enhance Effectiveness*; *Finance for Board Members*; *Communications and Reputation Management – Working Effectively with Social Media*; *Strategy Development and Implementation in the Public Interest*; *Impact of Regulation on Good Governance*; *Arrangements to Embedding Risk Management*; and *Audit Committee Roles and Responsibilities*.

The programme of events included the annual Good Governance Conference, which was held in March and addressed the main theme of *Promoting a Good Governance Culture*. The first session looked at *Public Service Culture Aligned to a Fast Changing World* and included contributions from Brian Rowntree, CBE, Chairperson of Civil Service Commissioners for Northern Ireland; Niamh Hardiman, Associate Professor of Political Science and Public Policy, UCD; and Dan O'Brien, Chief Economist, Institute of International and European Affairs. The second session was a panel discussion on *Serving the Public Interest*, which was facilitated by Fran McNulty, RTÉ, and included panellists Regina Doherty, TD, Pat Rabbitte, TD, and Séan Fleming, TD.

The Governance team also assisted many organisations with independent reviews of compliance with legal, regulatory and governance obligations, board effectiveness

The Institute developed an extensive programme of induction for 120 graduates recently recruited to local authorities.

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. Our offerings in the IT area continued to evolve, with end user training, social media and IT security 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.

The Institute continued to offer programmes for formal membership of professional bodies, including the MII (Mediators' Institute of Ireland) and the CIPD (Chartered Institute of Personnel and Development), as well as accredited audit programmes with CIPFA (Chartered Institute of Public Finance and Accountancy). Our established programme on workplace mediation, accredited by the MII, continued to attract strong numbers. The CIPD Foundation Level Certificate in HR Practice began its sixth run at the end of 2015, with the CIPD Foundation Level Diploma continuing to offer a follow-on pathway for those completing the certificate programme. The CIPD Foundation Level Diploma in Learning and Development Practice entered its third year of delivery at the end of 2015 as a follow-on pathway for those completing the CIPD Foundation Level Certificate programme that began in 2014.



Pictured are the graduates of the IPA Leadership in Local Government Programme 2015 with Programme Director, Teresa Casserly, IPA.

The CPD seminar series for public sector accountants and finance professionals, offered in conjunction with the professional accountancy bodies ACCA (Association of Chartered Certified Accountants), CIMA (Chartered Institute of Management Accountants) and CIPFA, continued to build on the success of previous years with two events in 2015 addressing the topics of *Accounting and Financial Management – What the Future Holds* and *Ethics, Culture and Governance*. The joint IPA and Chartered Institute of Internal Auditors (Ireland branch) Internal Audit Seminars for the Public Sector, first launched in 2013, continued to attract large numbers, with thirty-five delegates in attendance at the May event.

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 and the semi-state sector, in the form of short learning and development interventions, advice, consultancy and executive coaching.



INTERNATIONAL SERVICES

INTERNATIONAL SERVICES

During 2015 the International Services Unit continued to play a strategic role in sourcing work opportunities abroad and in raising the global profile of the Institute.

Several study programmes were organised throughout 2015, with the Institute hosting visits from foreign civil servants and public sector managers aimed at offering an opportunity to learn from the recent Irish public sector reform and other key areas of public administration through peer-to-peer exchanges. In particular, the Institute hosted two delegations from Bosnia-Herzegovina looking separately at the successful Irish model of leveraging its diaspora through a dedicated policy framework and economic engagement, and at the cooperation between Irish local government and community-based organisations in the area of economic development and reconciliation. A visit was also organised for delegates of the Civil Service Commission of Azerbaijan, focused on learning how to develop and implement a learning and development strategy to support organisational change.

International tendering activity for new projects took place throughout the year, with some key contracts awarded. A significant EU-funded programme of support to the nascent democratic dispensation in Myanmar was won as part of a wide consortium led by the German consultancy GOPA, and will entail the delivery in 2016 of various technical assistance inputs in areas such as rationalisation of public administration, training and development of strategic economic plans. Furthermore, the Institute was awarded a small assignment in a programme of support to the Government of Armenia, funded by the World Bank, providing assistance in developing a distance-learning training programme for middle and senior managers.

The central achievement for 2015 nevertheless remains the resumption of the former European Affairs Programme that had been supported by the Department of Foreign Affairs since 2004 but had been abolished in 2008 as part of the budgetary cuts imposed by the economic downturn. Thanks to a continuous dialogue with the department throughout the consolidation period, it became possible to re-establish the programme in 2015 and focus on supporting countries engaged in the EU enlargement process. Two series of activities were carried out: a study visit was organised for a dozen senior officials from central administration in Serbia, looking at the Irish system of government coordination in the field of EU relations and economic development, with the view to enhance the participants' capacity for negotiation in the various chapters of the EU's *acquis*; equally, a dedicated leadership and change management training programme was conducted for selected middle to senior public sector managers of the Government of Montenegro as part of their overall reform programme.

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

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

As requested by the Board, the International Services Unit initiated a global market assessment with visits to China (Hong Kong and mainland), Eastern and Central Europe, and the Middle East region. In line with the IPA's international strategy, this exercise aims to explore the potential of new markets in emerging economies and to strengthen relationships with a number of institutes and schools of public administration. One final aspect in 2016 will focus on Dubai and Qatar, where promising leads need to be pursued.

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

"We look forward to capitalising on our wide network of international contacts during the coming year."



Pictured (l-r) at a study visit organised by the IPA for the Civil Service Commission of Azerbaijan in December were Rauf Aliyev; Teresa Casserly, Head of International Services, IPA; Asaf Aliyev; Dr Marian O'Sullivan, Director General, IPA; Fuad Mayilov; Sabira Shikhaliyeva; and Kamil Bakhshaliyev.



Teresa Casserly
Director, International Services



LIBRARY & INFORMATION SERVICES

LIBRARY & INFORMATION SERVICES

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

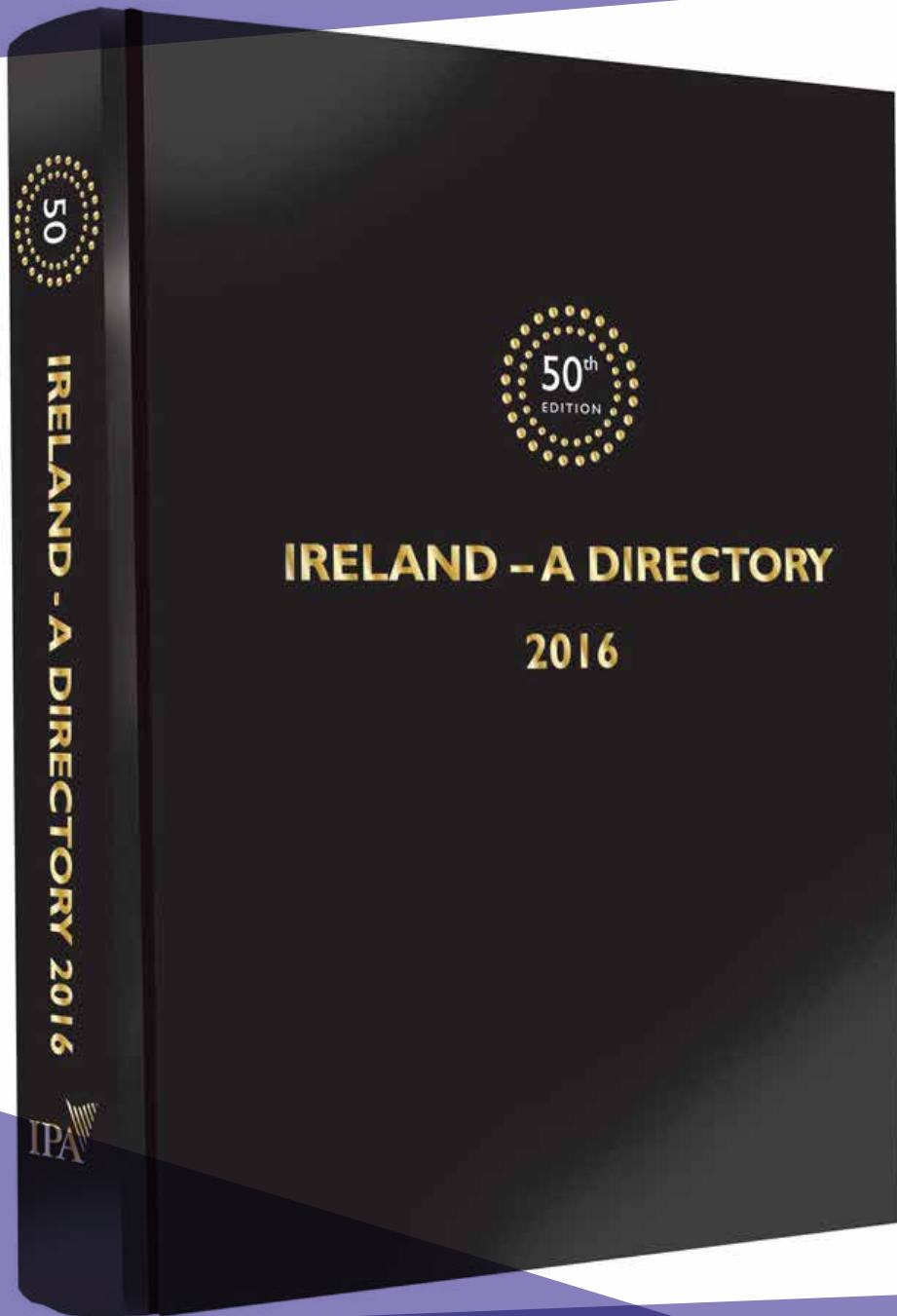
The Library, located in Lansdowne Road, provides a lending, reference and information service to students, staff and members of the Institute. Queries from others are also welcomed by phone or email. Access is provided to books, journals, electronic databases, reports, statistics and official publications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

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

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



Patricia Trotter
Librarian



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. In 2015 we celebrated the fiftieth anniversary of the *Administration Yearbook & Diary*, and used the occasion to rebrand the *Yearbook as Ireland – A Directory*. Three additional books were published, along with four issues of the journal *Administration*. The Publications Division also continued to carry out consultancy projects for public sector organisations.

The year 2015 saw the start of the implementation of the findings of a review of publishing activity that was completed by a group of external experts in 2014. This review made a number of recommendations to enhance publishing activity.

Books Published

Irish Higher Education: A Comparative Perspective, by Professor Patrick Clancy, was launched by the Minister for Education and Skills, Jan O’Sullivan, TD, at the Royal College of Surgeons on 19 May. The author shows how the higher education system has become a pivotal institution in contemporary Irish society. Higher education contributes to personal growth, career enhancement and the economic development of society. The book illustrates the challenges facing higher education, and how Ireland is addressing these challenges compared to other OECD and EU countries.

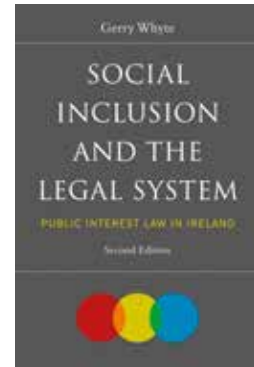
The second edition of *Social Inclusion and the Legal System: Public Interest Law in Ireland*, by Gerry Whyte, was published in June. In addition to updating the first edition, which was published in 2002, the second edition contains new material on the use of European law in public interest litigation before the Irish courts and on the experience of the South African courts in applying the constitutional guarantees of socio-economic rights contained in the post-apartheid Constitution.

Managing Workplace Conflict: Alternative Dispute Resolution in Ireland, by Paul Teague, William K. Roche, Tom Gormley and Denise Currie, was launched by Kieran Mulvey, Director General of the Workplace Relations Commission, at the UCD Michael Smurfit Graduate Business School on 1 December. This book is the first systematic study of the operation and outcomes of alternative dispute resolution (ADR) in Ireland. Innovations in conflict management are examined in the context of long-run changes in the pattern of conflict in the workplace. The book presents a series of detailed case studies of ADR innovations in major private and public sector organisations.

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

- *Public Sector Trends 2015*;
- *Organisational Culture and the Public Service*;
- *A Case-Study of the Tipperary County Council Merger*.

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



Periodicals

Ireland – A Directory 2016, formerly the *Administration Yearbook & Diary*, was published in December. *The Directory* was launched by the Tánaiste and Minister for Social Protection, Joan Burton, TD. *The Directory* continues to be the most widely used database on Irish business life, public and private. Speaking at the publication's launch, Ms Burton said:

"It is a tremendous achievement for the IPA to have reached the fifty-year milestone with this publication. The passing of time is reflected in the evolving archive of personnel listed in its pages, each of whom leaves a mark on this country and has made their own contribution. I welcome the refreshed identity of this year's edition, *Ireland – A Directory 2016*, which has been further strengthened with additional content, and wish the IPA another half-century of success with the volume."

To mark the fiftieth anniversary of the publication, a supplement was published highlighting some of the key milestones in public policy that have shaped Irish society over the past fifty years.

Four issues of the Institute's journal, *Administration*, were published throughout the year. These included a review of the public sector in 2014 and a special issue on local government reform. During the year the journal moved to an open access, online platform in an agreement with De Gruyter Open.

All issues and articles from volume 63 onwards are now freely available online: www.degruyter.com/view/j/admin

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 Publishing

It is a tremendous achievement for the IPA to have reached this fifty-year milestone.

Friday, December 11, 2015

IPA
AN FORAS BIAKACHAIN
INSTITUTE OF PUBLIC
ADMINISTRATION



WHITAKER SCHOOL
OF GOVERNMENT AND MANAGEMENT



AWARDS & PRIZE WINNERS

AWARDS & PRIZE WINNERS

A total of 641 students were the recipients of diplomas, bachelor degrees and postgraduate degrees during 2015. The conferring ceremonies took place in Dublin Castle on Friday, 11 December 2015. The prizes awarded were as follows:

Bachelor of Arts (Hons) (Healthcare Management)

First Place: **Denise Kelly**

Bachelor of Arts (Hons) (Human Resource Management)

First Place: **Maria Brennan**

Bachelor of Arts (Hons) (IT Management)

First Place: **Ciaran McCarron**

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

First Place: **Anne Marie Callaghan**

Bachelor of Arts (Hons) (Local Government)

First Place: **Triona O'Flynn**

Bachelor of Arts (Hons) (Management)

First Place: **Deirdre Flood**

Bachelor of Arts (Hons) (Public Management)

Joint First Place: **Colin Bissell, Rose Walsh**

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

First Place: **Damien Martin**

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

First Place: **Catherine Tuohy**

Bachelor of Business Studies (Hons) (Marketing)

First Place: **Brian Colm McDonagh**

Diploma in Public Management

First Place: **John Manning**

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

First Place: **Michael Gilmartin**

Whitaker School of Government and Management Undergraduate Student(s) of the Year 2015

Maria Brennan, Denise Kelly

641 students were the recipients of diplomas, bachelor degrees and postgraduate degrees during 2015

Master of Arts (Criminal Justice)

First Place: **James O’Leary**

Master of Arts (Financial Management)

First Place: **Gillian Roche**

Master of Arts (Healthcare Management)

First Place: **John Brennan**

Master of Arts (Human Resource Management)

Joint First Place: **Mairead Clancy, Catherine Moran**

Master of Arts (Leadership and Strategy)

First Place: **Linda Kelly**

Master of Arts (Local Government Management)

First Place: **John Hallahan**

Master of Arts (Public Management)

First Place: **Keith Kelleher**

Master of Economic Science in Policy Analysis

Joint First Place: **Claire Hayes Curtin, Emer Griffin**

Master of Science in Business and Management (Financial Management)

First Place: **Ruth Priestly**

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

First Place: **Laura Connolly**

Postgraduate Diploma in Policy Analysis

First Place: **Ruth Langan**

Postgraduate Diploma in Public Management

Joint First Place: **Michelle Kearney, Gormla O’Corrain**

Professional Certificate in Governance

First Place: **Jackie Reed**

Whitaker School of Government and Management Postgraduate Student of the Year 2015

Gillian Roche



Pictured (l-r) at the 2015 IPA conferring ceremonies in Dublin Castle were Patrick McDonnell, MSc in Business and Management; Caroline Brady, Professional Certificate in Governance; and Vincent Hunt, MSc in Business and Management.

Professional Diploma in Housing Studies

First Place: **Michael Hennessy**

Professional Diploma in Official Statistics for Policy Evaluation

First Place: **Kate Levey**

Professional Diploma in Project Management

First Place: **Aidan Timmins**

Diploma in Business Studies

First Place: **Kevin Foley**

Diploma in Computer Studies

First Place: **Keith Birney**

Diploma in Health Economics

First Place: **Sarah Clarke**

Diploma in Healthcare Management

First Place: **Joan Johnston**

Diploma in Human Resource Management

First Place: **Patricia Daly**

Diploma in Law

First Place: **Diarmaid O'Sullivan**

Diploma in Local Government Studies

Joint First Place: **Claire Prendergast, Alan Walsh**

Diploma in Management

First Place: **Fionnuala Murphy**

Diploma in Project Management

First Place: **Breege Walsh**

Diploma in Public Procurement

First Place: **Fiona Flynn**



Pictured (l-r, clockwise from top row) at the 2015 IPA conferring ceremonies in Dublin Castle were Dr Michael Mulreany, Assistant Director General, IPA; Nathy Walsh, Senior Lecturer, IPA; Dr Denis O'Brien, Assistant Registrar, IPA; Geraldine Tallon, President, IPA; Dr Frank Murray, Chairman, IPA Education Committee; Dr Marian O'Sullivan, Director General, IPA; Kevin Foley, First Place Student in Diploma in Business Studies (Accounting); Dermot Clynes, Organisation Development Manager, Department of Public Expenditure and Reform; and Dr Lucy Fallon-Byrne, Assistant Director General, Central Statistics Office.



OUTREACH

OUTREACH

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

Five staff members are non-executive members of the audit committees of a number of government departments, local authorities and state-sponsored bodies, and of An Garda Síochána; in several cases, acting as chair and vice-chair of the committees. Staff members play prominent officer roles in CIPFA (Chartered Institute of Public Finance and Accountancy). Several staff members also act as secretaries to external committees, such as the committee for the heads of administration in state agencies, or serve on the board of bodies such as the Retirement Planning Council of Ireland. One staff member is a member of the Local Government Advisory Group, established by the Minister for the Environment, Community and Local Government to provide advice on the local government reform programme.

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 2015 the Institute hosted a number of morning seminars to promote dialogue and debate amongst senior civil and public servants on key topics. Three issues of the Institute's electronic newsletter, *ezine*, were also produced during the year.

During 2015 we hosted a number of morning seminars to promote dialogue and debate amongst senior civil and public servants on key topics.



INSTITUTE GOVERNANCE & ADMINISTRATION

INSTITUTE GOVERNANCE & ADMINISTRATION

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

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

The Institute President presides at the annual general meeting (AGM) and has the support of a number of vice-presidents. The Institute’s President for 2015 was Ms Geraldine Tallon, a retired Secretary General of the Department of the Environment, Community and Local Government. Ms Tallon was appointed at the IPA’s 52nd AGM on 25 June 2015 to follow her predecessor, Mr Tom Considine, a retired Secretary General of the Department of Finance. The names of the honorary officers, Board members and Board subcommittee members are contained on the inside front cover of this annual report.



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

REPORT OF THE CHAIRMAN OF THE AUDIT COMMITTEE

Raymond Dolan reports:

The committee met four times during 2015. It carried out its role of supporting the Board in meeting its corporate governance responsibilities. Activities during the year included reviewing the annual Financial Statements, internal financial controls and the corporate risk register; monitoring compliance with the State Governance Code; overseeing the internal auditor’s programme; and ensuring compliance with all other relevant obligations. It also met with the representative of the Institute’s auditors – the Comptroller and Auditor General.

REPORT OF THE CHAIRMAN OF THE FINANCE AND STRATEGY COMMITTEE

Niamh O’Donoghue reports:

The committee met on only one occasion during the year. With the Institute’s financial position continuing to stabilise following the challenging economic trading downturn, the committee did not need to meet as often during 2015. However, for 2016, the committee will begin to turn its attention to the strategic development of the business. The committee reviewed the IPA’s 2015 annual business plan and progress generally on the implementation of the 2011–2015 corporate strategic plan. The committee also approved the 2015 forecast out-turn and the 2016 budget on behalf of the Board.

REPORT OF THE CHAIRMAN OF THE ADMINISTRATION COMMITTEE

Niamh O’Donoghue reports:

As this committee only meets on an as-needed basis, there were two meetings of the committee in 2015, which discussed a number of staff-related matters, including the appointment process of a new Director General.

MEMBERSHIP

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

Members enjoy discounts on publications and other services.

BOARD ATTENDANCE 2015 – 6 MEETINGS HELD

Name	Number of Meetings Attended	Notes
Elizabeth Adams	4	
Mark Callanan	5	
Brian Cawley	3	Retired September 2015
Raymond Dolan	2	
David Feeney	6	
Owen Keegan	3	
Connie Kelleher	3	
Paul Lemass	3	
Niamh O'Donoghue	5	
Martin O'Halloran	6	
Siobhan O'Halloran	4	
Caroline O'Regan	1	
Marian O'Sullivan	3	Appointed October 2015
Colin Scott	4	
Julie Sinnamon	3	

AUDIT COMMITTEE ATTENDANCE 2015 – 4 MEETINGS HELD

Name	Number of Meetings Attended	Notes
Raymond Dolan	2	
Connie Kelleher	2	
Siobhan O'Halloran	0	
Caroline O'Regan	1	
Colin Scott	3	

ADMINISTRATION COMMITTEE ATTENDANCE 2015 – 2 MEETINGS HELD

Name	Number of Meetings Attended	Notes
Elizabeth Adams	1	
David Feeney	2	
Niamh O'Donoghue	2	
Martin O'Halloran	2	
Caroline O'Regan	0	

FINANCE & STRATEGY COMMITTEE ATTENDANCE 2015 – 1 MEETING HELD

Name	Number of Meetings Attended	Notes
Mark Callanan	1	
Brian Cawley	0	Retired September 2015
David Feeney	1	
Owen Keegan	0	
Paul Lemass	0	
Niamh O'Donoghue	1	
Marian O'Sullivan	1	Appointed October 2015
Julie Sinnamon	0	

HUMAN RESOURCES MANAGEMENT

The year 2015 was a further year of consolidation following on from the redeployment, restructuring and reduction of staffing numbers in previous years. Following the retirement of Dr Brian Cawley in September, a new Director General, Dr Marian O'Sullivan, was appointed and took up office in October.

The IPA's Workforce Plan, which considers medium-term staffing requirements and specialist expertise required to meet new demands and challenges facing clients, was introduced. Limited recruitment commenced, with the employment of three new graduate interns and the appointment of a small number of IT and administrative staff on a temporary basis. Five staff members retired.

Two staff members were conferred with doctorates and a number of staff continued their academic studies. Staff were encouraged and supported to attend relevant conferences, seminars and in-house courses as appropriate.

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

The Institute's new Irish Language Scheme was approved by the Minister for Arts, Heritage and the Gaeltacht.

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

Staff meetings were held to provide a forum for updates and discussion on internal and external topics.



FINANCIAL PERFORMANCE

FINANCIAL PERFORMANCE

The Financial Statements that follow set out in detail the financial operation of the Institute for the year. There was an easing of the trading difficulties recently experienced by the Institute, resulting in a further stabilising of its finances during 2015. Compared with 2014, operating income improved slightly at €11.0m from €10.9m. The Institute generated an operating surplus of €186,420, which was ahead of a budgeted target of a break-even situation. The main reason for this level of surplus related to a continued focus on taking advantage of the recovering economy and trading environment generally.

The Institute's earnings were made up of training and international services (24%), education-fee income (43%), research income (3%), publications and membership income (3%), release of capital grants (3%) and a block grant (24%) paid by the Department of Public Expenditure and Reform. Overall, the small year-on-year increase in income is directly related to increases in levels of activity in the ongoing uncertain trading environment, particularly in the area of postgraduate enrolments. The IPA's cost structure, on the other hand, was primarily governed by direct and indirect costs, salary costs and debt-servicing costs.

While the Institute has very successfully reduced its non-pay costs since 2008, and implemented a successful pay cost reduction programme over the last three years, as mentioned above, the key determinant for the good performance in 2015 was increased turnover with a relative containment of the IPA's cost base. The Institute's direct costs (or costs that are incurred in the running of its education and training programmes) decreased during 2015 (due to a change in accounting treatment of the Institute's associate lecturing staff), while salary costs increased slightly (due in the main to the transfer of the associate lecture fees from direct 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 2014 levels, at €1.452m. 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 inter-bank interest rates, which continued at a very low base during 2015. This resulted in a full-year interest charge of €22,025, down from €30,556 in 2014. No major capital works were completed in 2015.

In overall financial management terms, given the ongoing straitened trading conditions, the Institute continued to stabilise its finances during 2015 with a solid operating surplus achieved. In addition, the IPA's Balance Sheet reserves remain good at over €13.5m.

INTERNAL SYSTEMS ENHANCEMENTS

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

FINANCIAL PROSPECTS FOR 2016

As stated above, there was a stabilisation of the IPA's finances during 2015, and this is expected to continue into 2016. It is unlikely that the IPA will be returning to growth in its revenues until at least 2017 or 2018, which would reflect the return to growth in Exchequer spending on the public service sector. It is important to note that the Institute's block grant remained at €2.725m for 2016 (the same as 2015), which was a positive support from its parent department. The IPA has budgeted for 2016 turnover to remain stable at €10.4m with an operating surplus of the order of €50,000. The IPA continues to look for new opportunities to sustain its income base (such as its new 'Teckal Exemption' status and its collaboration with UCD) and to consolidate both its pay and non-pay cost structures.

COMPLIANCE

The Institute complied with its financial, taxation and regulatory obligations during 2015, and continued to review and update its corporate governance structures.

Extensive development work was completed on the IPA's student record system, which very successfully went live in July 2015.



FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015

CONTENTS

DIRECTORS & OTHER INFORMATION	41
DIRECTORS' REPORT	42
DIRECTORS' RESPONSIBILITIES STATEMENT	44
REPORT OF THE COMPTROLLER AND AUDITOR GENERAL	45
STATEMENT ON INTERNAL FINANCIAL CONTROL	46
STATEMENT OF INCOME AND EXPENDITURE	47
STATEMENT OF COMPREHENSIVE INCOME	47
STATEMENT OF CHANGES IN EQUITY	48
STATEMENT OF FINANCIAL POSITION	49
STATEMENT OF CASH FLOWS	50
NOTES TO THE FINANCIAL STATEMENTS	51

DIRECTORS & OTHER INFORMATION

DIRECTORS

Niamh O'Donoghue (Chair)
 Brian Cawley (Director General; retired September 2015)
 Marian O'Sullivan (Director General; appointed October 2015)
 Elizabeth Adams
 Mark Callanan
 Raymond Dolan
 David Feeney
 Owen Keegan
 Connie Kelleher
 Paul Lemass
 Martin O'Halloran
 Siobhan O'Halloran
 Caroline O'Regan
 Colin Scott
 Julie Sinnamon

SECRETARY AND REGISTERED OFFICE

Dr Cyril Sullivan
 59 Lansdowne Road
 Dublin 4

AUDITORS

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

PRINCIPAL BANKERS

Allied Irish Bank
 Bank Centre
 Ballsbridge
 Dublin 4

 KBC Bank
 Sandwith Street
 Dublin 2

SOLICITORS

Eversheds
 Earlsfort Terrace
 Dublin 2

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2015

The directors present their annual report and audited Financial Statements of the company for the year ended 31 December 2015. The company is considered to be a Public Benefit Entity as it satisfies the criteria outlined in FRS 102.

IMPACT OF FRS 102

The Financial Statements for the year ended 31 December 2015 have been prepared in accordance with FRS 102, and the comparatives were restated as necessary. The impact of the changes on previously published Financial Statements is set out in Note 15.

PRINCIPAL ACTIVITIES

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

REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

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

RESULTS

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

PRINCIPAL RISKS AND UNCERTAINTIES

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

SUBSEQUENT EVENTS

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

DIRECTORS

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

Niamh O'Donoghue (Chair)

Brian Cawley (Director General; retired September 2015)

Marian O'Sullivan (Director General; appointed October 2015)

Elizabeth Adams

Mark Callanan

Raymond Dolan

David Feeney

Owen Keegan

Connie Kelleher

Paul Lemass

Martin O'Halloran

Siobhan O'Halloran

Caroline O'Regan

Colin Scott

Julie Sinnamon

COMPANY SECRETARY

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

POLITICAL DONATIONS

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

ACCOUNTING RECORDS

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

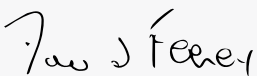
STATEMENT ON RELEVANT AUDIT INFORMATION

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

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

AUDITORS

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



David Feeney
Director



Mark Callanan
Director

On behalf of the Board, 26 May 2016

DIRECTORS' RESPONSIBILITIES STATEMENT

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

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

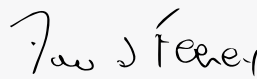
In preparing these Financial Statements, the directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and accounting estimates that are reasonable and prudent;
- State whether the Financial Statements have been prepared in accordance with applicable accounting standards, identify those standards, and note the effect and the reasons for any material departure from those standards; and
- Prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.


The directors are responsible for ensuring that the company keeps, or causes to be kept, adequate accounting records which correctly explain and record the transactions of the company, enable at any time the assets, liabilities, financial position and profit or loss of the company to be determined with reasonable accuracy, enable them to ensure that the Financial Statements and Directors' Report comply with the Companies Act, 2014,

and enable the Financial Statements to be audited. They are also responsible for safeguarding the assets of the company, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in Ireland governing the preparation and dissemination of Financial Statements may differ from legislation in other jurisdictions.



David Feeney
Director



Mark Callanan
Director

On behalf of the Board, 26 May 2016

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

THE INSTITUTE OF PUBLIC ADMINISTRATION

I have audited the Financial Statements of the Institute of Public Administration for the year ended 31 December 2015 under the Comptroller and Auditor General (Amendment) Act, 1993. The Financial Statements comprise the Statement of Income and Expenditure, the Statement of Comprehensive Income, the Statement of Changes in Equity, the Statement of Financial Position, the Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is the Companies Act, 2014, and Generally Accepted Accounting Practice in Ireland.

RESPONSIBILITIES OF THE DIRECTORS

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

RESPONSIBILITIES OF THE COMPTROLLER AND AUDITOR GENERAL

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

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

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

SCOPE OF AUDIT OF THE FINANCIAL STATEMENTS

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

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

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

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

OPINION ON THE FINANCIAL STATEMENTS

In my opinion, the Financial Statements:

- Give a true and fair view of the assets, liabilities and financial position of the Institute of Public Administration as at 31 December 2015 and of its income and expenditure for the year then ended; and
- Have been properly prepared in accordance with Generally Accepted Accounting Practice in Ireland; and
- Have been properly prepared in accordance with the Companies Act, 2014.

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

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

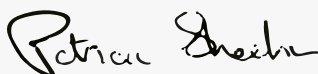
In my opinion, the information given in the Directors' Report is consistent with the Financial Statements.

MATTERS ON WHICH I REPORT BY EXCEPTION

I report by exception if I find:

- Any material instance where moneys have not been applied for the purposes intended or where the transactions did not conform to the authorities governing them; or
- The information given in the Annual Report for the year ended 31 December 2015 is not consistent with the Financial Statements or with the knowledge acquired by me in the course of performing the audit; or
- The Statement on Internal Financial Control does not reflect the company's compliance with the Code of Practice for the Governance of State Bodies; or
- The disclosures of directors' remuneration and transactions as specified by the Companies Act, 2014, are not made; or
- There are other material matters relating to the manner in which public business has been conducted.

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



Patricia Sheehan

For and on behalf of the Comptroller and Auditor General, 31 May 2016

STATEMENT ON INTERNAL FINANCIAL CONTROL FOR THE YEAR ENDED 31 DECEMBER 2015

The Board acknowledges its responsibility for the Institute of Public Administration's system of financial control. It also recognises that any system of financial control can only give a reasonable and not absolute assurance against any material errors. The internal financial controls in operation within the Institute during 2015 are outlined in the following.

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

(A) CONTROL ENVIRONMENT

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

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

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

Expenditure limits are applied rigorously to all levels of management. These limits were reviewed during 2015. This control is monitored by the Institute's Finance Office by way of both manual and electronic automated checks.

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

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

(B) IDENTIFICATION OF BUSINESS RISKS AND FINANCIAL IMPLICATIONS

In line with the IPA's annual processes, a business risk review was carried out during the year, involving the senior management group, highlighting the significant risks to the IPA's business with related necessary mitigating actions. The business risks identified in the review are being addressed, in the first instance, through the implementation of the Institute's corporate plan (corporate-level risk register), and then through the business planning process. For 2015, the Board reviewed the IPA's business plans on a half-yearly basis and its risk management activities at each of its meetings. For 2016, each business division will again be embedding their risk-mitigation activities in their annual business plans.

(C) INFORMATION SYSTEMS

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

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

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

(D) PROCEDURES FOR MONITORING EFFECTIVENESS OF FINANCIAL CONTROL SYSTEM

Monthly management accounts are prepared comparing budgeted income and expenditure with that actually incurred. The senior management group reviews these accounts, involving a detailed examination of the underlying transactions and activities to ensure completeness and accuracy. These accounts were put before the Board at each of its meetings during 2015 and were reviewed by its Finance and Strategy Committee, which met once in 2015.

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

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


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

(E) ANNUAL REVIEW

An annual review of the Institute's internal financial controls in operation during 2015 was carried out. The Institute's Board reviewed the effectiveness of the internal financial control systems at its meeting on 11 February 2016.



Niamh O'Donoghue
Chair



Dr Marian O'Sullivan
Director General

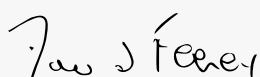
On behalf of the Board, 26 May 2016

FINANCIAL STATEMENTS

STATEMENT OF INCOME AND EXPENDITURE For the year ended 31 December 2015

INCOME	Notes	2015 €	2014 (restated) €
Fee Income	2	7,640,820	7,469,737
Sale of Publications	3	300,226	376,723
Subscriptions		266,034	260,065
Oireachtas Grant	4	2,629,000	2,654,000
Amortisation of Capital Grant	14	149,823	149,823
		10,985,903	10,910,348
OPERATING EXPENDITURE			
Direct Costs	6	2,220,978	2,440,948
Salary Costs	7	5,506,035	5,055,775
Administration Expenses	8	1,598,206	1,530,023
Interest Payable and Similar Charges		22,025	30,556
		9,347,244	9,057,302
Operating Surplus for the Year	5	1,638,659	1,853,046
Less Contribution to Exchequer in Respect of Pensions	20c	(1,452,239)	(1,441,175)
Surplus after Exchequer Contribution		186,420	411,871

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 23 form part of these Financial Statements.



David Feeney
Director



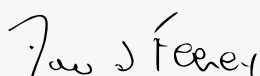
Mark Callanan
Director

On behalf of the Board, 26 May 2016

STATEMENT OF COMPREHENSIVE INCOME For the year ended 31 December 2015

	Notes	2015 €	2014 (restated) €
Surplus after Exchequer Contribution		186,420	411,871
Other Comprehensive Income		-	-
Total Comprehensive Income		186,420	411,871

The Statement of Cash Flows and notes 1 to 23 form part of these Financial Statements.



David Feeney
Director



Mark Callanan
Director

On behalf of the Board, 26 May 2016

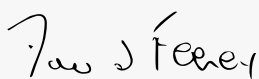
FINANCIAL STATEMENTS

STATEMENT OF CHANGES IN EQUITY For the year ended 31 December 2015

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

IN RESPECT OF PRIOR YEAR	Capital Reserve €	Revenue Reserve €	Accumulated Surplus on Income and Expenditure €	Capital Grants €	Total €
At 1 January 2014	8,366,574	3,394,974	520,555	962,960	13,245,063
Transfer to Capital Reserves	257,857	(257,857)	-	-	-
Amortisation of Capital Grant	-	-	-	(149,823)	(149,823)
Surplus on Statement of Income and Expenditure	-	-	419,676	-	419,676
FRS 102 Adjustment	-	-	(53,590)	-	(53,590)
At 31 December 2014	8,624,431	3,137,117	886,641	813,137	13,461,326

The Statement of Cash Flows and notes 1 to 23 form part of these Financial Statements.



David Feeney
Director



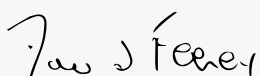
Mark Callanan
Director

On behalf of the Board, 26 May 2016

STATEMENT OF FINANCIAL POSITION as of 31 December 2015

NON-CURRENT ASSETS	Notes	2015 €	2014 (restated) €
Property, Plant & Equipment	10	15,496,972	15,850,253
CURRENT ASSETS			
Inventory	9	127,400	111,772
Receivables	11	1,248,333	1,388,682
Cash and Cash Equivalents		2,099,577	1,993,107
		3,475,310	3,493,561
PAYABLES:			
Amounts Falling Due within One Year	12	(2,797,196)	(3,008,251)
Net Current Assets		678,114	485,310
Total Assets Less Current Liabilities		16,175,086	16,335,563
PAYABLES:			
Amounts Falling Due after One Year	13	(2,677,163)	(2,874,237)
Total Assets Less Liabilities		13,497,923	13,461,326
Long-Term Retirement Benefit Obligation	20	(55,355,000)	(58,152,000)
Deferred Retirement Benefit Asset	20	55,355,000	58,152,000
Net Assets		13,497,923	13,461,326
CAPITAL AND RESERVES			
Reserves		11,761,548	11,761,548
Accumulated Surplus on Income & Expenditure Account		1,073,061	886,641
Capital Grants	14	663,314	813,137
		13,497,923	13,461,326

The Statement of Cash Flows and notes 1 to 23 form part of these Financial Statements.



David Feeney
Director



Mark Callanan
Director

On behalf of the Board, 26 May 2016

FINANCIAL STATEMENTS

STATEMENT OF CASH FLOWS For the year ended 31 December 2015			
NET CASH FLOWS FROM OPERATING ACTIVITIES		2015 €	2014 (restated) €
Operating Surplus after Exchequer Contribution		186,420	411,871
Adjustments for:			
Interest Payable		22,025	30,556
Depreciation		622,080	579,027
Amortisation of Grants		(149,823)	(149,823)
Increase in Inventories		(15,628)	10,491
Adjustment on Disposal		(988)	–
Decrease/(Increase) in Receivables		140,349	127,550
(Decrease)/Increase in Payables		(211,055)	(9,727)
FRS 102 Adjustment		–	7,805
	Notes	2015 €	2014 (restated) €
Net Cash Flows from Operating Activities		593,380	1,007,750
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for Property, Plant & Equipment		(267,811)	(193,944)
Net Cash Flows from Investing Activities		(267,811)	(193,944)
CASH FLOWS FROM FINANCING ACTIVITIES			
Interest Paid		(22,025)	(30,556)
Decrease in 20-Year Mortgage Facility		(197,074)	(257,857)
Net Cash Flows from Financing Activities		(219,099)	(288,413)
Net Increase in Cash and Cash Equivalents	16	106,470	525,393

The Statement of Cash Flows and notes 1 to 23 form part of these Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

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 2015 have been prepared in accordance with FRS 102, 'The Financial Reporting Standard Applicable in the UK and Republic of Ireland', issued by the Financial Reporting Council (FRC), as promulgated by Chartered Accountants Ireland. These are the Institute's first set of Financial Statements prepared in accordance with FRS 102. The date of transition to FRS 102 was 1 January 2014. The prior year's Financial Statements were restated for material adjustments on adoption of FRS 102 in the current year. The result of this adoption can be seen in Note 15.

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 of Public Administration'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 deferred income and are released to the Statement of Income and Expenditure over the expected useful life of the related assets, by equal annual instalments.

(iv) Property, Plant & Equipment, and Depreciation

Property, plant and equipment, including buildings, are stated at their historical cost or valuation less accumulated depreciation. All tangible fixed assets are initially recorded at historical cost. This includes legal fees, stamp duty and other non-refundable purchase taxes, and also any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, which can include the costs of site preparation, initial delivery and handling, installation and assembly, and testing of functionality.

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

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

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

As part of its annual review of assets, the IPA conducted an impairment review. There were no adjustments for 2015 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 further 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) Leased Assets

Assets held under finance leases and hire purchase contracts are recognised in the Balance Sheet and are depreciated over their useful lives, with the corresponding lease or hire purchase obligation being recognised as a liability. The interest element of the finance lease rentals is charged to the Statement of Income and Expenditure over the period of the lease and represents a constant periodic rate of interest on the balance of capital repayments outstanding. Operating lease rentals are charged to the Statement of Income and Expenditure on a straight-line basis over the lease term. There were no operating leases in operation for 2015.

NOTES TO THE FINANCIAL STATEMENTS

(viii) 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.

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.

(ix) 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 2015.

(x) 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.

(xi) Loans and Borrowings

The company obtained a €5 million, 20-year loan secured by mortgage on its Lansdowne Road premises (there are 10 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. A transition adjustment is not required as there is no difference between the contract interest rate and the effective interest rate.

(xii) 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.

(xiii) 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 Institute'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.

(xiv) Judgements and Key Sources of Estimation Uncertainty

The directors consider the accounting estimates and assumptions below to be critical accounting estimates and judgements:

Holiday Pay Accrual

Per the accounting standard FRS 102, the IPA is obliged to make a holiday pay accrual. The Institute operates its staff annual leave entitlements in line with analogous grades in the civil service, including the procedures for the carry-over of annual leave at year-end. The cost of the holiday pay accrual is based on the number of days' leave untaken at year-end. The IPA did not make provision for holiday pay earned but not taken up before the year ended 31 December 2014. FRS 102 requires this to be provided, and consequently the additional holiday pay accrued for 2014 was €7,805.

Going Concern

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

Impairment of Trade Receivables

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

Impairment of Inventory

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

Useful Lives of Property, Plant & Equipment

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

Retirement Benefit Obligations

The IPA operates a public sector defined-benefit pension scheme for its staff. 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 no longer responsible for any liabilities that may arise as a result of any actuarial reviews. This is now the responsibility of the Exchequer.

2. FEE INCOME

	2015 €	2014 €
Training	2,625,642	2,899,519
Education	4,704,208	4,280,968
Research	310,970	289,250
	<u>7,640,820</u>	<u>7,469,737</u>

3. SALE OF PUBLICATIONS

Income from IPA Publications	300,226	376,723
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4. OIREACHTAS GRANT

An amount of €2,725,000 (2014: €2,750,000) 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:

	2015 €	2014 €
(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 2015, no expenses were claimed by a Board member.

NOTES TO THE FINANCIAL STATEMENTS

(b) Remuneration of the Director General

A new Director General was appointed on 1 October 2015 following the retirement of the previous incumbent. The reported salaries reflect this change.

	Director General (Retired 30 September 2015) (€)	Director General (Appointed 1 October 2015) (€)
2014		
Salary	175,407	
Employer's PRSI	17,110	
Pension Contribution	63,848	
Travel & Subsistence	4,144	
2015		
Salary	131,555	31,440
Employer's PRSI	12,891	3,077
Pension Contribution	44,820	10,878
Travel & Subsistence	3,096	552

The IPA staff numbers in the following salary bands as of 31 December 2015 were:

SALARY BAND	STAFF NUMBER
€60,000 - €70,000	-
€70,001 - €80,000	18
€80,001 - €90,000	9
€90,001 - €100,000	4
€100,001 - €110,000	-
€110,001 - €120,000	-
€120,001 - €130,000	1
€130,001 - €140,000	-
€140,001 - €150,000	1

(c) Auditor's Remuneration	17,000	17,000
(d) Depreciation (Net of Disposals)	622,080	579,027
(e) Interest Payable on Sums Repayable Over a Period Greater than Five Years	22,025	30,556
(f) Capital Grant Amortised	(149,823)	(149,823)

6. ANALYSIS OF DIRECT COSTS

	2015 €	2014 €
Training	729,705	764,984
Education	1,287,582	1,406,394
Publications	139,595	185,195
Research	25,344	38,733
General	38,752	45,642
	2,220,978	2,440,948

7. EMPLOYEE INFORMATION

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

	2015 €	2014 €
Training	23	23
Education	28	26
Publications	4	4
Research	3	4
General	23	22
	81	79

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

	2015 €	2014 (restated) €
Wages and Salaries	4,026,697	4,176,243
Associate Staff	872,385	359,284
Social Insurance Costs	529,095	446,993
Income Continuance Plan	58,737	65,450
FRS 102 Holiday Accrual	19,121	7,805
	5,506,035	5,055,775

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

€287,679 (2014: €312,145) 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 €516,216 (2014: €720,959).

So as to comply with new accounting standard FRS 102, the 2014 salary total is restated to account for staff holiday accrual. This adjustment is explained further in Note 15.

(c) In September 2014 the IPA changed its payment arrangements for its associate lecturing staff from accounts payable to payroll. While the 2014 associate staff payments above represent four months of payments, the equivalent figure for 2015 reflects a full year.

NOTES TO THE FINANCIAL STATEMENTS

8. ANALYSIS OF ADMINISTRATION EXPENSES

	2015 €	2014 €
Repairs, Cleaning and Maintenance	313,498	294,707
Depreciation	622,080	579,027
Stationery and Photocopying	149,882	107,951
Light, Heat and Phone	146,573	157,344
Postage	50,986	63,620
Insurance	26,169	21,030
Corporate Affairs and Marketing	96,432	188,421
Staff Development	44,196	27,304
General	148,390	90,619
	1,598,206	1,530,023

9. INVENTORY

Stationery and Books	127,400	111,772
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There are no inventories pledged as security.

10. PROPERTY, PLANT & EQUIPMENT

In respect of current year

	Land & Buildings ^(b) €	Office Machines €	Furniture, Fittings, Equipment & Library Books €	Total €
COST				
At 1 January 2015	20,607,256	1,909,871	2,676,711	25,193,838
Additions	-	-	267,811	267,811
Disposals ^(a)	-	(241,529)	(1,187,496)	(1,429,025)
At 31 December 2015	20,607,256	1,668,342	1,757,026	24,032,624
DEPRECIATION				
At 1 January 2015	5,347,843	1,765,495	2,230,247	9,343,585
Charge for the Year	412,145	83,974	125,961	622,080
Disposals	-	(242,524)	(1,187,489)	(1,430,013)
At 31 December 2015	5,759,988	1,606,945	1,168,719	8,535,652
NET BOOK VALUE				
At 31 December 2015	14,847,268	61,397	588,307	15,496,972
At 1 January 2015	15,259,403	144,386	446,464	15,850,253

In respect of prior year

COST				
At 1 January 2014	20,607,246	1,750,982	2,641,666	24,999,894
Additions	-	158,899	35,045	193,944
At 31 December 2014	20,607,246	1,909,881	2,676,711	25,193,838
DEPRECIATION				
At 1 January 2014	4,937,478	1,670,553	2,156,527	8,764,558
Charge for the Year	410,365	94,942	73,720	579,027
At 31 December 2014	5,347,843	1,765,495	2,230,247	9,343,585
NET BOOK VALUE				
At 31 December 2014	15,259,403	144,386	446,464	15,850,253
At 1 January 2014	15,669,768	80,429	485,139	16,235,336

Note (a): The IPA completed a comprehensive review of its fixed asset register in 2015, identifying a number of assets that were no longer in use, with no net book value. The IPA took the decision to remove these assets from the register.

Note (b): Schedule of Properties and Type of Holding

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

NOTES TO THE FINANCIAL STATEMENTS

11. RECEIVABLES

	2015 €	2014 €
Trade Receivables	1,107,269	1,373,660
Exchequer Pensions ^(Note 20c)	126,064	-
Prepayments	15,000	15,022
	1,248,333	1,388,682

Trade Receivables is net of a provision for doubtful debts of €24,400 (2014: €40,000).

12. PAYABLES: AMOUNTS FALLING DUE WITHIN ONE YEAR

Bank Loans	262,880	262,880
Trade Payables	234,385	323,338
Deferred Fee Income	1,920,384	1,746,860
Exchequer Pensions ^(Note 20c)	-	188,121
Sundry Payables and Accruals	137,268	264,292
PAYE/PRSI	242,279	222,760
	2,797,196	3,008,251

13. PAYABLES: AMOUNTS FALLING DUE AFTER ONE YEAR

€5m 20-Year Variable Rate Facility	2,677,163	2,874,237
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The loan is repayable in instalments over a 20-year period. There are 10 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 1.2% (2014: 1.3%). 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

	2015 €	2014 €
Within 1 Year	262,880	262,880
Within 2–5 Years	788,640	788,640
After More than 5 Years	1,888,523	2,085,597

14. CAPITAL GRANTS

	2015 €	2014 €
At 1 January	813,137	962,960
Amount Amortised in the Year	(149,823)	(149,823)
At 31 December	663,314	813,137

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. TRANSITION TO FRS 102

Reconciliation of Capital and Reserves	1 Jan 2014 €	31 Dec 2014 €
Capital and Reserves (as previously stated)	12,282,103	12,701,779
Holiday Pay Accrual	(45,785)	(53,590)
Capital and Reserves (restated)	12,236,318	12,648,189

Reconciliation of Statement of Income and Expenditure

	€
Surplus after Exchequer Contribution for the Year Ended 31 December 2014 (as previously stated)	419,676
Effect of Transition: Holiday Pay Accrual in Salary Costs	(7,805)
Surplus after Exchequer Contribution Ended 31 December 2014 (as restated under FRS 102)	411,871

Prior to FRS 102, the company did not make provision for holiday pay earned but not taken up before the year ended 31 December 2014. FRS 102 requires this to be provided, and consequently the additional holiday pay accrued for 2014 was €7,805.

Under previous Irish GAAP, the company did not adopt a policy of revaluation; however, certain assets were revalued before the adoption of FRS 15, 'Tangible Fixed Assets', now called 'Property, Plant & Equipment'. Under previous Irish GAAP, the company retained the valuations. On translation to FRS 102, the company elected to use the previous revaluation of certain land at 31 December 2013 as the deemed cost for that asset as allowed by FRS 102: paragraph 35.10 (d). There is no effect on the Balance Sheet at the date of transition.

NOTES TO THE FINANCIAL STATEMENTS

16. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	2015 €	2014 €
Increase in Cash	106,470	525,393
Decrease in 20-Year Mortgage Facility	197,074	257,857
Movement in Net Debt During the Year	303,544	783,250
Net Debt at 1 January	(1,144,010)	(1,927,260)
Net Debt at 31 December	(840,466)	(1,144,010)

Analysis in Changes of Net Debt	At 31 Dec 2014 €	Cash Flows €	At 31 Dec 2015 €
Cash and Cash Equivalents	1,993,107	106,470	2,099,577
20-Year Mortgage Facility	(3,137,117)	197,074	(2,940,043)
Total	(1,144,010)	303,544	(840,466)

17. SUBSEQUENT EVENTS

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

18. CAPITAL COMMITMENTS

There were no capital commitments at the year-end.

19. CONTINGENT LIABILITY

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

20. RETIREMENT BENEFITS

(a) Retirement Benefit Obligation and Asset

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

The retirement benefit obligation at 31 December 2015 was €55,355,000 (2014: €58,152,000) based on an actuarial valuation of the retirement benefit obligations in respect of Institute staff as at 31 December 2015, carried out by a qualified independent actuary for the purposes of FRS 102. A deferred funding asset of €55,355,000 equal to the liability at 31 December 2015 is recognised as a separate asset on the Balance Sheet. The last comprehensive actuarial review was completed for the purposes of the 2014 Financial Statements.

Movement in Retirement Benefit Obligation	2015 €'000	2014 €'000
Present Value of Scheme Obligations at 1 January	58,152	52,883
Current Service Cost	1,305	780
Plan Participant Contributions	63	63
Interest Cost	1,205	2,014
Actuarial Loss/(Gain)	(3,250)	3,874
Benefits Paid	(2,030)	(1,462)
Expenses Paid	(90)	-
Present Value of Scheme Obligations at 31 December	55,355	58,152
Retirement Benefit Asset at 31 December	55,355	58,152

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

With the transfer of the fund assets to the National Pension Reserve Fund in 2010, there is no retirement benefit cost recognised in the Statement of Income and Expenditure for 2015. This was also the case in 2014.

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

In accordance with the arrangements set out in Note 20a, 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 €1.6m (2014: €1.6m) and employee contributions of €121,125 (2014: €99,600). 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:	2015 €	2014 €
Balance at 1 January	188,121	147,027
IPA Contributions (excl seconded)	1,452,239	1,441,175
IPA Seconded Staff	97,951	176,515
Total Institute Contributions ⁽ⁱ⁾	1,550,190	1,617,690
Employee Contributions	97,244	99,650
Retirement Benefit and Related Payments	(2,117,498)	(1,576,246)
Refund from/(Payments to) Exchequer	155,879	(100,000)
Balance at 31 December	(126,064)	188,121

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 €97,951 (2014: €176,515).

NOTES TO THE FINANCIAL STATEMENTS

(d) Description of the Scheme and Actuarial Assumptions

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

The financial assumptions used for FRS 102 purposes were:

	2015	2014
Rate of Increase in Salaries	2.60%	2.50%
Rate of Increase in Retirement Benefits in Payment	2.60%	3.00%
Rate of Increase in Retirement Benefits in Deferment	2.60%	2.50%
Discount Rate	2.35%	2.10%
Inflation	1.60%	1.50%

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 2015:

	2015	2014
Male Member Age 65 (Current Life Expectancy)	20.9	22.7
Female Member Age 65 (Current Life Expectancy)	23.5	24.7
Male Member Age 45 (Life Expectancy at Age 65)	23.5	24.9
Female Member Age 45 (Life Expectancy at Age 65)	25.6	27.0
Male Member Age 40 (Life Expectancy at Age 65)	24.0	25.5
Female Member Age 40 (Life Expectancy at Age 65)	26.1	27.6

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 2016.

21. BOARD MEMBERS' INTERESTS

The Board adopted procedures in accordance with the revised Code of Practice (2015) for the Governance of State Bodies in relation to the disclosure of interests by Board members and those procedures have been adhered to in the year. There were no transactions in the year in relation to the Board's activities in which members had any beneficial interest.

22. COMPARATIVES

Comparative figures have been reclassified where necessary on a basis consistent with the current year.

23. APPROVAL OF FINANCIAL STATEMENTS

The Board of Directors of the Institute approved these Financial Statements and authorised them for issue on 26 May 2016.

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