

# ANNUAL REPORT 2010



## PRESIDENT

**Mr Tom Considine**  
Former Secretary General  
Department of Finance

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## VICE-PRESIDENTS

Ciaran Connolly  
Brendan Drumm  
John Fitzgerald  
Phil Furlong  
Dermot McCarthy

Brian McDonnell  
Padraig McManus  
Michael Scanlon  
Geraldine Tallon  
John Tierney

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## BOARD MEMBERSHIP

John Tierney (**Chairman**)  
Martin McDonald (**Vice-Chairman**)  
Brian Cawley (**Director General**)  
Séan Aylward (**appointed June 2010**)  
Phyllis Behan (**appointed June 2010**)  
Marie Brady (**term of office ended June 2010**)  
John Campion (**appointed June 2010**)  
Donal Connell (**appointed June 2010**)  
Martin Cronin (**term of office ended June 2010**)  
Gabriel D'Arcy (**appointed June 2010**)  
Raymond Dolan  
Des Dowling

Michael Errity  
Robert Galavan  
Cathal Goan (**term of office ended June 2010**)  
Paul Haran (**appointed June 2010**)  
David Hughes (**appointed June 2010**)  
Carmel Keane  
Morgan McKnight  
Sinéad McNamara (**appointed June 2010**)  
Peter Nolan (**term of office ended June 2010**)  
Julie O'Neill (**term of office ended June 2010**)  
Frances Spillane  
David Thomas (**term of office ended June 2010**)

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## BOARD SUBCOMMITTEES FINANCE AND STRATEGY COMMITTEE

John Tierney (**Chairman**)  
Marie Brady (**term of office ended June 2010**)  
Martin Cronin (**term of office ended June 2010**)  
Gabriel D'Arcy (**appointed June 2010**)  
Des Dowling  
Michael Errity  
Paul Haran (**appointed June 2010**)  
Sinéad McNamara (**appointed June 2010**)  
Peter Nolan (**term of office ended June 2010**)

Julie O'Neill (**term of office ended June 2010**)  
Frances Spillane

## AUDIT COMMITTEE

Raymond Dolan (**appointed Chairman June 2010**)  
John Campion (**appointed June 2010**)  
Robert Galavan  
Cathal Goan (**term of office as Chairman ended June 2010**)  
David Hughes (**appointed June 2010**)  
Morgan McKnight  
David Thomas (**term of office ended June 2010**)

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## ADMINISTRATION COMMITTEE

Martin McDonald (**Chairman**)  
Séan Aylward (**appointed June 2010**)  
Phyllis Behan (**appointed June 2010**)  
Donal Connell (**appointed June 2010**)  
Carmel Keane

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## IPA COMMITTEES

### EDUCATION COMMITTEE

Frank Murray (**Chairman**)  
Seán Aylward (**resigned February 2010**)  
Brian Cawley  
Tony Donohoe (**appointed May 2010**)  
Pat Hall  
John Harper (**appointed May 2010**)  
Aidan Horan (**appointed May 2010**)  
Anthony Kearney (**term of office ended February 2010**)  
Finbarr Kelly  
Martina Maloney (**appointed October 2010**)  
Ian McKenna  
Michael Mulreany  
Jack Nolan (**appointed May 2010**)  
Denis O'Brien (**Secretary**)  
Alice O'Flynn  
Terry Ó Niadh (**retired May 2010**)  
Con Ryan (**appointed May 2010**)  
Moling Ryan  
John Twomey  
Orla Twomey (**appointed May 2010**)  
Noel Waters (**appointed February 2010**)

### BOOK PUBLISHING COMMITTEE

Maurice Manning (**Chairman**)  
John Bowman  
Richard Boyle  
John Curry  
Dónal de Buitléir  
Tom Fennell  
Paul Haran  
George Lee  
Ann McGuinness (**retired September 2010**)  
John Murray (**RIP, September 2010**)  
Blathna Ruane

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# FOREWORD



# FOREWORD

The year 2010 was another extremely difficult year for the Irish economy and the Irish public service. The year concluded with the agreement by government of the EU/IMF Programme of Financial Support for Ireland and the publication of the *National Recovery Plan 2011–2014*, which committed the government to achieving a budgetary correction of €15 billion over the period of the plan. A total of €6 billion in budgetary corrections for 2011 was announced in the national budget in December, including cuts in expenditure across a wide range of government programmes and services. The moratorium on recruitment in the public service continued, as did the pursuit of actions to implement the terms of the Public Service (Croke Park) Agreement. This agreement, between public sector unions and employers, is aimed at achieving a wide range of efficiencies and flexibility across the public service. The Local Government Efficiency Review Group also reported and made a significant number of recommendations for reform in the local government sector.

At this time of unprecedented turmoil and uncertainty, the Institute of Public Administration plays a very important role in providing a forum for reflection, dialogue and debate on the challenges we face, and for thinking through how we can respond to those challenges. It is difficult to find time to pause and reflect during periods of pressure and ongoing crisis, but it is critical that all parts of our public administration can learn from recent events. Through its research, conferences, seminars, Governance Forum, and training, consultancy and publishing work, the Institute continues to be a unique learning resource for the whole of our public service. Through its international work, the Institute provides opportunities for Irish public servants to engage with practitioners and academics from abroad, so that we are also able to take full account of comparative international aspects of the challenges we face.

The Institute has not been immune to the major reductions in public expenditure. In particular, client organisations pared back their spending on training and development during 2010, with consequent falls in revenue in these areas. As one of the objectives during 2010 was to further stabilise the finances of the Institute, a major cost-reduction programme was implemented to address falling revenue. It is a great credit to the resilience of the Institute and its staff that, in one of the most difficult financial years in our history, overall financial targets for the year have been achieved.



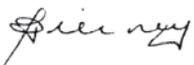
Former Taoiseach John Bruton speaking at the IPA 2010 National Conference, entitled *Building Confidence and Trust in Public Administration*.

# FOREWORD

At a time of great uncertainty it is also critical that the Institute is well positioned for the future. Therefore, the Board and the Executive spent considerable time during the year addressing two major issues: the development of a corporate strategy for the period 2011–2015, and the discussion of formal partnership arrangements with a major Irish university. By the end of 2010 the Board had developed a new strategy for the Institute, to be published in early 2011. It had also formally agreed to a partnership with University College Dublin (UCD), which will come into effect in 2011. While this partnership will not affect the governance or status of the Institute, we envisage it will, over time, open many opportunities for collaboration nationally and internationally. It also means that, over the next number of years, IPA programmes that lead to formal awards will become awards of UCD. We believe this will bring further benefits to our clients and students, and further enhance the reputation of the Institute. So despite major uncertainty at the end of 2010 the Institute is better positioned to support its public service clients and meet the major challenges that lie ahead.

Finally, it was with great regret that we learnt in September of the untimely death of Professor John Murray, former Chairman of the Institute. John was not only a great academic and teacher but a source of support and advice to the Irish public service and to the many individual public servants who attended his programmes. The Institute was also the beneficiary of his wise counsel and stewardship during his period as Chairman. On behalf of the Institute and its staff, I wish to record our deep appreciation for his service to the IPA and the Irish public service, and to convey our deep sympathies to his wife and family. Ar dheis Dé go raibh a anam.

John Tierney  
Chairman



John Tierney

# DIRECTOR GENERAL'S REPORT



# DIRECTOR GENERAL'S REPORT

In another very difficult year for the Irish public service, and a challenging year for the Institute, ongoing cutbacks in public expenditure meant reduced budgets for training, education, research and other services provided by the Institute. At the beginning of 2010 we set ourselves three major objectives: to stabilise our finances; to support our public service clients in meeting the very serious challenges they faced; and to strategically position the Institute for the future. We are glad to say that by the end of the year we had made major progress in achieving all of these objectives.

Despite falling revenues in 2010, the Institute has put in place a major cost-reduction programme, and during the year further reductions in salaries and other costs contributed to achieving a very satisfactory financial outcome by year end. As a result of these measures and of changes in the status of our pension fund, balance sheet reserves have also shown a significant recovery.

In the face of major challenges in the public sector, the role of the Institute as a forum for learning and professional development is more important than ever. It is our belief that for the public service to thrive now and in the future, and to reaffirm its critical and positive role in Irish society, it must remain open to learning and be prepared to adapt to meet very changed circumstances. Crucial to successful adaptation is open discussion and debate of these critical challenges. In 2010 our National Conference addressed the theme of *Building Confidence and Trust in Public Administration*, and included addresses by President Mary McAleese and former Taoiseach John Bruton. One aspect of building confidence relates to good governance, and in 2010 our Governance Forum addressed important issues such as whistle-blowing, regulatory governance and boardroom competence.

Publishing may be one of the less well-known of the Institute's activities, but nonetheless it remains one of the most important. We believe that the Institute has a vital role to play through its publishing activity in recording and disseminating knowledge and increasing understanding of public administration. Apart from the best-selling *Administration Yearbook & Diary*, the 45th edition of which was published in 2010, the IPA also published a number of other important texts during the year, including *Ireland at the United Nations*, by former Ambassador Noel Dorr; *By Dail Account: Auditing of Government, Past, Present and Future*, by Gay Mitchell, MEP; and *The Houses of the Oireachtas*, edited by Muiris MacCarthaigh and Maurice Manning.

Since the early 1960s the Institute has played a role in supporting public service development internationally, not only to support the building of capacity in other



Mary McAleese, President of Ireland, speaking at the IPA National Conference *Building Confidence and Trust in Public Administration*.

## DIRECTOR GENERAL'S REPORT

countries but also to encourage a dialogue between the Irish and international public service. In 2010 this continued with the IPA leading a major public service capacity-building project in Macedonia and contributing to projects in Turkey and Croatia. We also delivered a number of our educational and training programmes internationally, and at the end of 2010 agreement was reached on the delivery of our MA in Leadership and Strategy to the senior public service in Lesotho.

Our third objective was to strategically position the Institute for the medium and longer term. With this in mind, since late 2009 the Board and management of the Institute have been considering a range of options for partnership with Irish universities. This process was further accelerated in 2010, not least in anticipation of the publication of the new national strategy on higher education. As the Institute is the major education provider for the Irish public sector, with an increasing record of provision of education in public management to international students, it was considered timely that it should position itself as the major professional development agency for public servants. While the Institute has traditionally had very strong links to practice in public service bodies, the development of a formal partnership with a major teaching and research university was sought in order to further enhance the services available to our clients and the reputation of our programmes. By the end of 2010 we had reached agreement with UCD to enter into a formal partnership that will see the Institute retain its independent status but also become a recognised college of UCD in 2011. We believe that this, together with the conclusion of a new strategy for the period 2011–2015, puts the Institute in a much stronger position to meet future challenges, and to better meet the needs of our clients.

We would not have achieved these outcomes without the resilience, loyalty and flexibility of our staff, who remain our greatest resource. From a strategic point of view 2010 was also a very significant year for setting new directions for the Institute, and I would like to thank the Board, and the various Board subcommittees, for their commitment and guidance throughout this critical year. Finally, I would like to thank our loyal clients and the many new clients that have requested our services during 2010.

Brian Cawley  
Director General



Brian Cawley

# EDUCATION



# EDUCATION

## NATIONAL UNIVERSITY OF IRELAND

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

Over the academic year 2009/2010, the Institute offered a suite of undergraduate and postgraduate programmes ranging from level 6 to level 9 of the National Framework of Qualifications.

The conferring ceremony for NUI graduates took place on 30 November and 1 December 2010 in Dublin Castle when 850 graduands were conferred.

## UNDERGRADUATE PROGRAMMES

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

In 2009/2010, seven specialisms were offered on the BA (Hons) and four on the BBS (Hons).

At diploma level, six specialisms were offered in the field of public management and four in business studies. Five special-purpose diplomas in European Union Studies, Health Economics, Human Resource Management, Law and Management were also offered in 2009/2010. In 2010 the first cohort of students, principally councillors and public servants, were enrolled on a new Certificate in Irish Government and Politics.

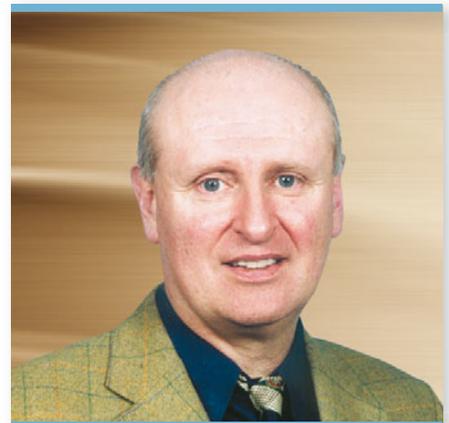
The overall number of undergraduate students in 2010 was approximately 960.

## MASTER OF ARTS

The Institute's MA programmes have a common first year, for which there is an award of postgraduate diploma. In year two, students progress to a choice of six specialist areas. In 2010 the total number of students on MA programmes was approximately 180.

## DOCTORATE IN GOVERNANCE

The Doctorate in Governance programme, which is jointly offered with Queen's University Belfast, commenced in 2003, and the first graduates were conferred in 2006. In 2010 approximately 40 students were enrolled in the doctorate programme.



### TOP IMAGE

Dr Michael Mulreany  
Assistant Director General

### MIDDLE IMAGE

Pictured (l-r) at the IPA conferring of NUI awards in Dublin Castle were the following Cork Gardai, who all received BA (Hons) Administration of Justice: Ciara O'Callaghan, Adrian Gamble, Conor Egan, John O'Connell and Sean Killigrew.

### BOTTOM IMAGE

Pictured (l-r) at the IPA conferring of NUI awards in Dublin Castle were Tom Considine, President, IPA; Dr Brian Cawley, Director General, IPA; John O'Brien, first place, BBS (Hons) Marketing; Dr Attracta Halpin, Registrar, NUI; Dr Frank Murray, Chairman, Education Committee, IPA; and Dr Michael Mulreany, Assistant Director General, IPA.

# EDUCATION

## MEconSc IN POLICY ANALYSIS AND POSTGRADUATE DIPLOMA IN POLICY ANALYSIS

The MEconSc in Policy Analysis is a two-year programme. Students study a range of policy-related subjects in the first year, and they work in their departments on applied dissertations in the second year. In 2010 ten students enrolled on the programme and thirteen students graduated, having successfully completed the programme.



### TOP IMAGE

Pictured at the IPA conferring of NUI awards in Dublin Castle were Richard Belton, first place, Diploma in European Union Studies, and Dr Michael Mulreany, Assistant Director General, IPA.

### SECOND IMAGE

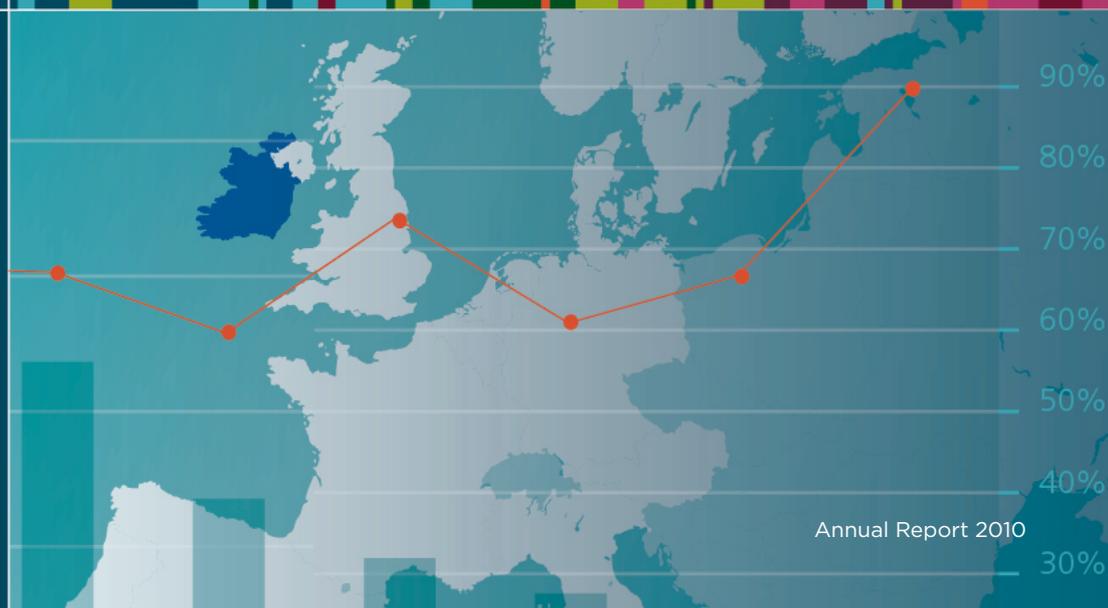
Pictured at the IPA conferring of NUI awards in Dublin Castle were Linda Scully, BA (Hons) Human Resource Management, and her daughter Ellen Garvey.

# RESEARCH

Research Paper N°2

# Public Sector Trends 2010

*Richard Boyle*



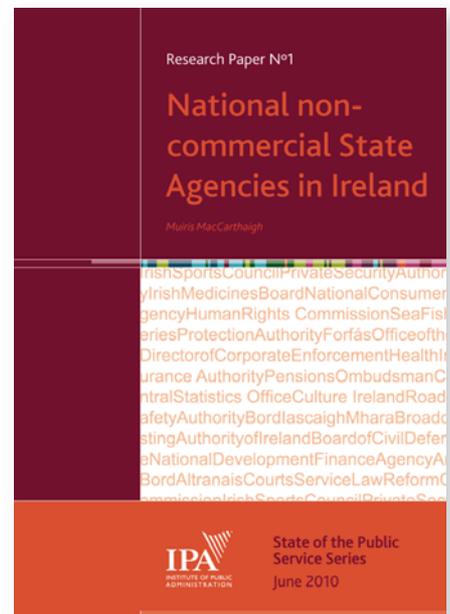
# RESEARCH

As noted in earlier annual reports, the IPA has a small, full-time, dedicated team of staff undertaking applied research for government departments and other public sector bodies. The research work of the division is held in high national and international regard. As the OECD review team that undertook the review of public services in Ireland in late 2008 acknowledged, the body of knowledge generated by the Research Division for the Committee for Public Management Research ([www.cpmr.gov.ie](http://www.cpmr.gov.ie)) is a unique and authoritative research asset, spanning almost all aspects of the public service modernisation agenda.

The main activity relating to new developments in 2010 was the instigation of the IPA State of the Public Service research series. This initiative intends to 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 transformation and building the IPA's reputation as a source of expertise in certain specific areas. Under this series, two reports were published in 2010:

- Research Paper No. 1, *National Non-Commercial State Agencies in Ireland*, examines changes in the landscape of national non-commercial agencies in Ireland and draws on national and international practice to address issues in relation to the role, performance and corporate governance of agencies.
- Research Paper No. 2, *Public Sector Trends 2010*, draws on national and international data on the performance, size and cost of public service, with the aim of developing benchmarking data that can be used to raise public service performance issues and, where possible, productivity issues.

A third report entitled *Organisational Capacity in the Irish Civil Service: An Examination of the Organisational Review Programme* was also substantially completed, ready for publication in early 2011. The reports are available at [http://www.ipa.ie/State\\_of\\_the\\_Public\\_Service\\_Series](http://www.ipa.ie/State_of_the_Public_Service_Series).



# RESEARCH

The main areas of income from international commissioned research/tenders in 2010 included:

- Completion of final report on ageing in the public service for the Hong Kong Efficiency Unit ([http://www.eu.gov.hk/english/publication/pub\\_bp/files/ageing\\_in\\_public\\_service.pdf](http://www.eu.gov.hk/english/publication/pub_bp/files/ageing_in_public_service.pdf));
- Completion of an Irish regulatory case study, as part of an international study on utilities regulation (REGUNET) coordinated by the Public Management Unit at the Katholieke Universiteit Leuven.

Various research consultancy projects were also undertaken at home, namely:

- Research on national and international practice for the Association of Chief Executives of State Agencies on governance and performance issues for state agencies;
- Case study of Road Safety Authority's creation and performance;
- Provision of a research paper on the contribution of the public sector to national competitiveness for the Association of Higher Civil and Public Servants;
- Provision of a research study on the public funding of the non-governmental age sector in Ireland for the Older & Bolder Agency;
- *University Governance* report on corporate governance in third-level institutions (in conjunction with the IPA Governance Forum);
- Provision of four EU policy bulletins and two editions of the *Local Authority Times* as part of an information service to local authorities throughout the year.

Research collaboration was a feature of work undertaken in 2010. A member of the research team spent 50 per cent of his time working with the Geary Institute in UCD on a 'Mapping the State' research project sponsored by the Irish Research Council for the Humanities and Social Sciences. This project involves the development of a database on Irish state institutions (<http://www.isad.ie/>).



Research Team (l-r): Muiris MacCarthaigh; Deirdre Mooney; Richard Boyle, Head of Research, Publications and Corporate Relations; Orla O'Donnell; and Joanna O'Riordan.

## RESEARCH

The international collaboration with the Public Management Institute of the Katholieke Universiteit Leuven, Belgium, continues to be a very fruitful one. The current collaborative project — participation in an EU-funded COST programme on agencification — includes comparative research in a number of European countries, as well as in a small number of other countries. The year 2010 saw the submission of Irish contributions and reporting as part of this prestigious project, which is due to report in 2011. As part of this collaboration, a member of the research team has co-authored a book comparing agencies in Ireland, Norway and Flanders, and this was published by Palgrave in early 2010. Further opportunities for collaboration will be explored in the coming years.

Members of the Research Division delivered presentations, briefings and training sessions at a wide range of seminars, conferences and other events, and continued to publish articles and reports. Staff also contributed to public debates in print, TV and radio media on aspects of Irish public governance over the course of the year.

The Research Division was also actively involved in a wide range of Institute initiatives. For example, team members contributed to the 2010 IPA National Conference, including delivering a talk on *Trust, Values and Accountability*. In addition, team members continue to collaborate with colleagues from the Education, Training and Publications Divisions in contributing to the provision of consultancy services, training courses (development and provision of two modules of new NUI Diploma in Civil Service Studies), seminar presentations, and talks/meetings with visiting international delegations (e.g. Macedonian delegation in March 2010); the annual provision of statistics for *Administration Yearbook & Diary*; and participation in delivery of education programmes and postgraduate dissertation supervision.

# TRAINING & DEVELOPMENT



## TRAINING & DEVELOPMENT

This was another successful year, with a sustained demand for training, development, advisory and support services, and for externally accredited and professional body programmes, as well as strong audiences for the diverse range of conferences, seminars and workshop events scheduled throughout the year. These events addressed many of the most pressing public management and governance issues in 2010 and facilitated challenging debate and discussion involving senior politicians, public and civil servants, and national and international experts.

The Leadership in Local Government Programme continued to attract a diverse group of high-potential candidates from a wide range of local authorities across Ireland. Through study visits and reviews of external systems, participants gained an understanding of the reform agenda for public services in other countries, and were in a position to review and assess issues of specific relevance to Ireland. The Strategic Management Series also continued to attract strong numbers with its emphasis on blended theory and practice to assist senior executives in the design and implementation of strategic management programmes in line with evolving public sector challenges.

Delivered in conjunction with Cambridge Leadership Associates, MA, incorporating senior faculty from the John F. Kennedy School of Government at Harvard, the Leadership Challenge Programme is aimed at senior public servants and designed to develop leadership capacity to support transformation and change in public administration. In the context of the major changes now facing the Irish economy and public sector, the adaptive leadership model is highly relevant and applicable, and this was reflected in the very significant demand for the programme in 2010. An evaluation undertaken in 2010 to measure the impact of the programme concluded that it is having a real impact on those who have participated, with clear evidence of changed behaviours and approaches.

The Governance Forum, now in its fifth year, continues to expand and is recognised as providing a unique and important service for the public sector, with a particular emphasis on state, public interest and public benefit organisations. The 2010 programme of services and support activities focused on the contemporary and pressing challenges of implementing good governance, and the events covered included regulatory governance arrangements, the Code of Good Governance, the new ISO Standard on Risk Management and boardroom competencies. The forum team also assisted many organisations with independent reviews of compliance with legal and regulatory governance obligations, board evaluation and competency assessments, and related services.



Pictured (l-r) at the IPA conferring of NUI awards in Dublin Castle were Mark Kehoe, Department of the Environment, Heritage and Local Government; Mairéad Treanor, Met Éireann; Martin Speers, Programme Director, IPA; and Frank Woods, Office of the Revenue Commissioners, who all received a Certificate in Project Management.

## TRAINING & DEVELOPMENT

In March a special event focusing on the theme of good governance — *Values and Culture or Rules and Regulation* — was held, with contributions from Emily O'Reilly, Michael Noonan, Pat Rabbitte and Sean Ardagh. The large audience had the unique opportunity to listen to and challenge the individual and collective views of the panel on very important issues for public services and society more generally.

The busy and diverse schedule of seminars convened during 2010 covered many highly relevant areas. Leadership and human resource challenges were addressed with guest speakers including Maureen Gaffney, Bryan Andrews and Kieran Mulvey. On the topic of government and strategy the panel included Michael D. Higgins, TD, Jim Glennon and recently retired secretary general Brendan Tuohy. A special seminar on *Public Service Accountability and Oireachtas Committees* was also convened, with a panel that included Darragh O'Brien, TD, Art O'Leary from the Houses of the Oireachtas and Julie O'Neill.

*Crisis Management — Lessons for Cross-Government Working* was also a very relevant event, and included contributions from Alan Reilly, Chief Executive of the Food Safety Authority of Ireland; Sean Hogan of the Department of Environment, Heritage and Local Government; and Brendan Kenny, Chief Executive of the Limerick Regeneration Agencies. Finally, to coincide with Budget 2011, a special budget seminar on the implications for public services was held in December, and contributors included Professor John Fitzgerald, Economic and Social Research Institute; Dan O'Brien, *The Irish Times*; Lord Andrew Adonis, Former Secretary, UK Cabinet Office; and Dr Richard Boyle.

The Institute also organised special conferences for the local government sector, and a number of strategically relevant, policy-related seminars were held in 2010 for local authority staff. In addition, a very successful legislative training programme was delivered in a number of local authorities, offering participants a clear understanding of the legislative process, the format and structure of legislation, and the key role and responsibilities of local authorities in implementing legislation.

In addition to the NUI-accredited programmes, we continue to offer programmes for formal membership of professional bodies, including the Chartered Institute of Personnel and Development (CIPD), the Chartered Institute of Public Finance and Accountancy, and the Mediators' Institute of Ireland.



Pictured at the IPA conferring of NUI awards in Dublin Castle were Dr Attracta Halpin, Registrar, NUI, and John Reilly, Diploma in Healthcare Management.

## TRAINING & DEVELOPMENT

Despite reductions in public sector training budgets, there continued to be a sustained demand within leadership and management, finance and audit, and human resource management. The CPD seminar series for public sector professional accountants experienced continued growth in 2010. In addition, the human resource management programme designed for local authorities was very successful in 2010, and our established programme on workplace mediation continued to attract strong numbers. Formal approval for the new CIPD certificate was also secured, and the first cohort of students commenced at the end of the year.

IT Training and Education Services, in conjunction with the School of Computer Science and Informatics, UCD, launched a new postgraduate qualification for non-computing graduates – MSc in Computer Science. The programme, which attracted national and international students, was run on both IPA and UCD campuses. IT training services continued to be in demand, with additional services in areas such as virtualisation and cloud computing being provided along with more traditional end-user training.

Consultancy in 2010 included working with chief executives and senior teams from the statutory and voluntary sectors to prepare strategic plans for their organisations; conducting consultation processes with key stakeholders in relation to strategy development in voluntary organisations; providing organisation reviews; facilitating policy consultation in relation to the *White Paper on Crime*; conducting service evaluations for health sector organisations in both statutory and voluntary sectors, and on the international front; and providing capacity building for an international public sector training agency.

Accredited programmes of applied, practical learning also continued to be in strong demand. All certificate and diploma programmes continued to enrol large numbers in excess of the overall numbers in the previous year. The Certificate in Civil Service and State Agency Studies was supplemented by the accreditation of a diploma that provides a further learning pathway for students who successfully complete the certificate programme. The lectures and tutorials are all delivered both centrally and in regional locations.



Pictured (l-r) at the IPA conferring of NUI awards in Dublin Castle were Jennifer Murtagh; Siobhán Mooney; Philip Byrne, Programme Director, IPA; Fiona Casserly; Maura Daly; and Bridget Daly from Meath County Council, who all received a Certificate in Local Government Studies.

# INTERNATIONAL SERVICES



# INTERNATIONAL SERVICES

## **2010: MAINTAINING AN INTERNATIONAL REPUTATION FOR EXCELLENCE**

The year 2010 marked the final year of implementation of the International Services Strategy, as approved by the Board in February 2005. On the basis of this five-year perspective, the Institute has initiated sector-driven interventions to further expand its international presence and consolidate its operations in strategic locations.

The International Services Unit (ISU) fulfilled the main elements of its strategy by delivering dedicated public sector assistance projects and facilitating the transfer of Irish civil service experience to countries engaged in reform and transition processes. This was done according to thematic areas of operations, mainly in public administration reform, capacity building and regional/economic development.

Since 2005 a significant element of the activities of the ISU has been supported by the Department of Foreign Affairs (DFA). This year the last parts of the DFA-funded EU Affairs programme were delivered in Croatia and Macedonia with a view to facilitating the transfer of expertise and know-how from the Irish public sector to selected ministries, departments and public agencies in Zagreb and Skopje. These activities focused on EU integration challenges faced by both countries as they work towards full membership of the Union and entailed, respectively, the delivery of training on negotiation skills in an enlarged EU perspective for Macedonian officials and the provision of high-level expertise on the drafting of the Administrative Capacity Development Operational Programme for the Croatian Ministry of Public Administration.

In addition, the ISU delivered ten sessions of the EU Affairs training programme (audit systems and processes for EU structural funds, and management and monitoring of operational programmes) to civil servants from the new EU member states and the EU acceding countries.

A bilateral support programme to Turkey in the area of revenue, which started in 2006, was successfully completed, and benefited from the cooperation of the staff of the Irish Revenue Services based in Limerick.

In addition to the above, the ISU was very active in sourcing projects awarded by international tenders. In particular, the unit project-managed a significant EU-funded programme in Macedonia, assisting the national Civil Service Agency in devising a relevant and responsive training curriculum, and in ensuring modern and efficient delivery of development and learning programmes for Macedonian civil servants. This project, a first for the IPA as leader of an



Nicolas Marcoux  
Head of International Unit

## INTERNATIONAL SERVICES

international consortium, reflected the overall objective set out in the ISU strategy to enhance the provision of international services, and allowed the IPA to deliver a wide range of training and consultancy services to the agency, drawing on the staff of the IPA and the agency in equal measure.

The IPA also organised a number of ad hoc study tours and exchange programmes with a view to exposing other countries to the operations, structures and successes of the Irish civil service, centrally and locally. Russian and Macedonian officials benefited from such study visits in 2010.

The Institute continued to act in 2010 as the national contact point for twinning arrangements between Ireland and eastern, central and south-western Europe. It also took on a new role of national contact point for the EU Citizens programme, co-funded by the EU and the Department of Tourism, Culture and Sport.

# LIBRARY & INFORMATION SERVICES



## LIBRARY & INFORMATION SERVICES

Supporting the Institute's education, training and research activities is the remit of the Library — a specialised public administration and public management resource extensively used by students, clients and staff. The Library provides an information, reference and lending service to a diverse and countrywide range of users.

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

The Library contains some 30,000 books, 250 hard-copy periodical titles, research studies, annual reports, reference sources and statistical data, and a growing number of full-text journals are delivered electronically, together with full-text database-searching facilities.

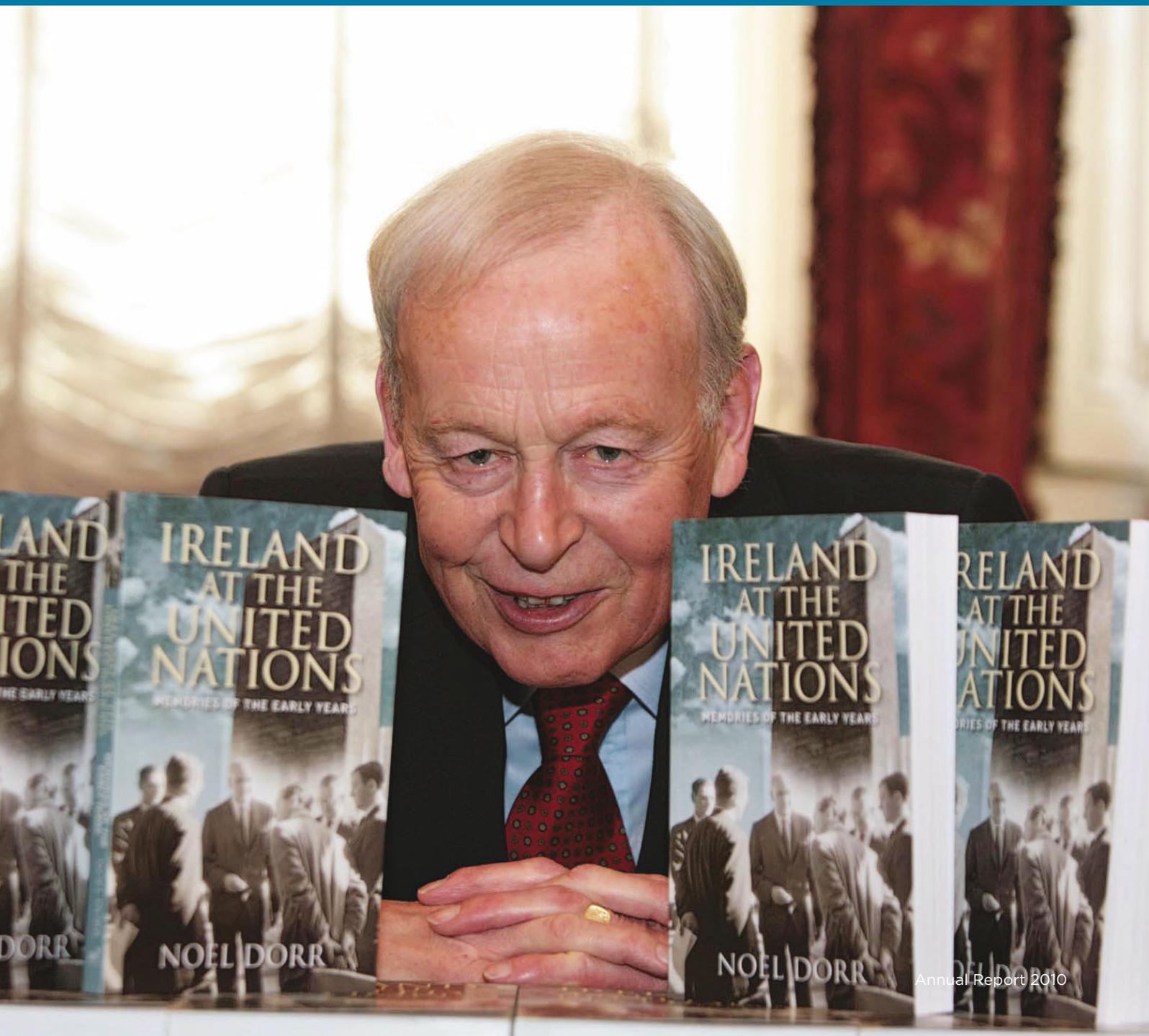
The Library's catalogue can be accessed from the IPA website ([www.ipa.ie/library](http://www.ipa.ie/library)).

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



Patricia Trotter  
Librarian

# PUBLISHING



# PUBLISHING

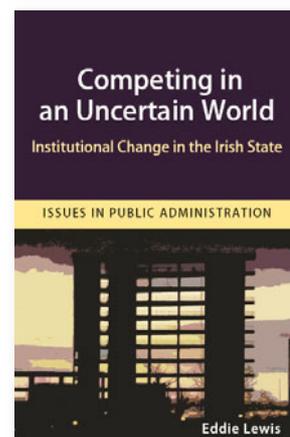
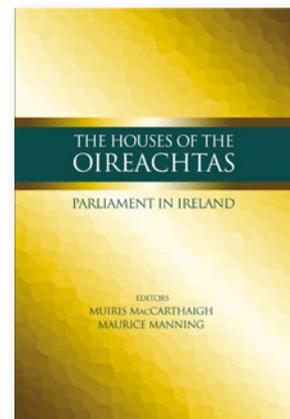
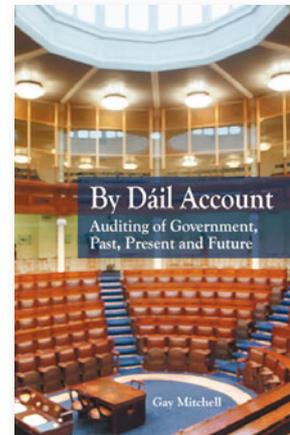
The year 2010 saw the publication of a number of books covering a wide variety of topics, together with the 45th edition of the *Administration Yearbook & Diary* and the *Administration Yearbook Mailing Database CD-ROM*.

Four volumes of the Institute's quarterly journal, *Administration*, including a special issue on *Family Support Services*, were published. The Publications Division also continued to carry out a number of consultancy projects for other public sector organisations.

## BOOKS PUBLISHED IN 2010

The Institute's Book Publishing Committee had another productive year, overseeing the submission of a number of book proposals. Five main titles were published by the Institute during the course of 2010:

- *Competing in an Uncertain World: Institutional Change in the Irish State* (Issues in Public Administration Series) by Eddie Lewis was published in April.
- *Ireland of the Illusions: A Sociological Chronicle 2007-2008*, edited by Mary Corcoran and Perry Share, was also published in April.
- *Ireland at the United Nations: Memories of the Early Years* by Noel Dorr was launched in May in the Department of Foreign Affairs, Iveagh House; the guest of honour was Micheál Martin, TD, Minister for Foreign Affairs.
- *By Dáil Account: Auditing of Government, Past, Present and Future* by Gay Mitchell was launched in October in the European Parliament Offices; the guest of honour was Liam Cosgrave, former Taoiseach.
- *The Houses of the Oireachtas: Parliament in Ireland*, edited by Muiris MacCarthaigh and Maurice Manning, was launched in November in the Houses of the Oireachtas by Séamus Kirk, Ceann Comhairle, and Pat Moylan, Cathaoirleach.



# PUBLISHING

## RESEARCH REPORTS PUBLISHED

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

- *Ageing in the Public Service*, a report for the Hong Kong Efficiency Unit;
- Research Paper No. 1, *National Non-Commercial State Agencies in Ireland* (State of the Public Service research series), by Muiris MacCarthaigh;
- Research Paper No. 2, *Public Sector Trends 2010* (State of the Public Service research series), by Richard Boyle.

## PERIODICALS

*Administration Yearbook & Diary 2011* was published in December. The 45th edition contains innovations and improvements that enhance the Yearbook's usefulness.

Four volumes of the Institute's journal, *Administration*, were published throughout the year, and included a *Review of Developments, Structure and Management in the Public Sector 2009* by Mark Callanan, John Curry, Eamon Lynch, Muiris MacCarthaigh, Tom Ward and Stephen Weir (edited by Tony McNamara).

## 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 Probation Board, North/South Ireland.
- *Scientific Service: History of the Union of Professional and Technical Civil Servants* was produced on behalf of the Union of Professional and Technical Civil Servants.
- *Documents on Irish Foreign Policy, Volume 7: 1941-1945* was produced on behalf of the Royal Irish Academy.
- Editorial and proofreading services were provided for a report by The National Office for the Prevention of Domestic, Sexual and Gender-based Violence (COSC).

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



### TOP IMAGE

Pictured (l-r) at the launch of *By Dáil Account* at the European Parliament Offices are John Bruton, former Taoiseach; Gay Mitchell, author; guest of honour Liam Cosgrave, Former Taoiseach; and Enda Kenny, leader of Fine Gael.

# AWARDS & PRIZE WINNERS



# AWARDS & PRIZE WINNERS

Over 850 students were the recipients of diplomas, bachelor degrees and/or postgraduate degrees during 2010. These were presented to students at the NUI conferring ceremonies in Dublin Castle on Tuesday 30 November and Wednesday 1 December 2010. The awards and prize presentations for 2010 were as follows:

Whitaker School of Government & Management  
Postgraduate Student of the Year

**Vivion O'Brien**

Master of Arts (Criminal Justice)

**Paul O'Farrell**

Master of Arts (Financial Management)

**Seán O'Connell**

Master of Arts (Healthcare Management)

**Miriam Fitzpatrick**

**Sheila Ryan**

Master of Arts (Human Resource Management)

**Caroline Oxley**

Master of Arts (Local Government Management)

**John Cronin**

Master of Arts (Public Management)

**Colin Horan**

Postgraduate Diploma in Public Management

**Valerie Harvey**

Master of Economic Science in Policy Analysis

**Vivion O'Brien**

Postgraduate Diploma in Policy Analysis

**Owen McNally**

**Karl O'Sullivan**

Whitaker School of Government & Management

Undergraduate Student of the Year

**Patricia Curran**

Bachelor of Arts (Hons) (Administration of Justice)

**Seán O'Reardon**

Bachelor of Arts (Hons) (Healthcare Management)

**Angela Tierney-O'Reilly**

Bachelor of Arts (Hons) (Human Resource Management)

**Eamon Murphy**

**Aileen Stapleton**

Bachelor of Arts (Hons) (Information Technology Management)

**Gerard Plunkett**



#### TOP IMAGE

Pictured at the IPA conferring of NUI awards in Dublin Castle were Mark Twomey, first place, BBS (Hons) Information Systems Management, and Dr Brian Cawley, Director General, IPA.

#### SECOND IMAGE

Pictured at the IPA conferring of NUI awards in Dublin Castle were Dr Maurice Manning, Chancellor, NUI, and John Cronin, first place, MA Local Government Management.

## AWARDS & PRIZE WINNERS

Bachelor of Arts (Hons) (Local Government)

**Mario Lodola**

Bachelor of Arts (Hons) (Management)

**Patrick McMenamin**

Bachelor of Arts (Hons) (Public Management)

**Patricia Curran**

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

**Christena Sheil**

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

**Karen Kennedy**

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

**Mark Twomey**

Bachelor of Business Studies (Hons) (Marketing)

**John O'Brien**

Diploma in Business Studies

**Orla Cronin**

**Audrey Scally**

Diploma in Computer Studies

**Linda Reilly**

Diploma in European Union Studies

**Richard Belton**

Diploma in Health Economics

**Gráinne Cosgrove**

Diploma in Health Services Policy

**Catriona D'Arcy**

Diploma in Healthcare Management

**Mary McCormick**

Diploma in Human Resource Management

**Colette McLoughlin**

Diploma in Law

**Alison Reilly**

Diploma in Local Government Studies

**Orla Hastings**

Diploma in Management

**Michelle Mahon**

Diploma in Management of Modern Public Service Delivery

**Tara Robertson**

Diploma in Public Management

**Rebekah Fozzard**



### TOP IMAGE

Pictured at the IPA conferring of NUI awards in Dublin Castle were Mairead Clancy, BBS (Hons) Marketing, and John O'Brien, first place, BBS (Hons) Marketing.

### SECOND IMAGE

Pictured (l-r) at the IPA conferring of NUI awards in Dublin Castle were Maurice Manning, Chancellor, NUI; Dr Brian Cawley, Director General, IPA; Paul O'Farrell, first place, MA Criminal Justice; Deputy Assistant Garda Commissioner Fintan Fanning; and Dr Attracta Halpin, Registrar, NUI.

# OUTREACH 2010



## OUTREACH 2010

As noted in previous annual reports, the Institute is the body dedicated to the profession of public service. Consequently, the expertise of its staff is constantly called upon in ways other than the direct provision of services. From time to time, they also act in positions of leadership in the professional bodies to which they are attached. The Director General is a member of an informal network of heads of schools and institutes of public administration in the EU. During 2010, he was also a member of the adjudication panel for the Excellence in Local Government Awards, sponsored by the Chambers of Commerce of Ireland.

Dr Michael Mulreany, Assistant Director General, is a standing member of the Value for Money and Policy Review Group convened by the Department of Finance. Dr Richard Boyle is Chairman of the Irish Evaluation Network and a member of the international evaluation research group on policy and programme evaluation. He is also a member of the Department of Foreign Affairs Audit Committee.

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

During 2010, the Institute hosted a number of morning seminars to promote dialogue and debate amongst senior civil and public servants on key issues. Three issues of the Institute's electronic newsletter, *ezone*, were also produced during the year.

The IPA Annual Conference took place in the Aviva Stadium on 30 September. Entitled *Building Confidence and Trust in Public Administration*, the guest of honour was President Mary McAleese. The conference heard presentations from a number of national and international speakers on the challenges facing the public service with regard to building trust and confidence in difficult economic times.



Kevin Cardiff, Secretary General, Department of Finance, speaking at the IPA National Conference.

# 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 Finance, is a not-for-profit organisation with registered charity status and is subject to statutory audit by the Comptroller and Auditor General.

It is governed by a Board — under the current chairmanship of John Tierney — comprising elected/nominated representatives of various public administration sectors, Institute management and staff, the academic world and trade union personnel, together with a student representative. The Board operates through its scheduled monthly meetings and three standing Board subcommittees: the Finance and Strategy Committee, which deals with strategic financial management issues, including capital works; the Administration Committee, which monitors day-to-day operating performance, human resource issues, etc.; and the Audit Committee, which deals with risk assessment and governance approaches. In addition, there is an Education Committee, which advises on and monitors educational qualifications and courses, 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 47th AGM of the Institute took place on 24 June 2010. The names of the honorary officers, Board members and Board subcommittee members are listed on the inside front cover.

## REPORT OF THE CHAIRMAN OF THE ADMINISTRATION COMMITTEE

Martin McDonald reports:

The Administration Committee met twice during 2010. The committee reviewed progress on all matters relating to HR. The committee also advised the Board on the necessary actions to give effect to the transfer of the Institute pension fund to the National Pension Reserve Fund.

## REPORT OF THE CHAIRMAN OF THE AUDIT COMMITTEE

Ray Dolan reports:

The committee met four times during 2010. 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; overseeing the internal auditor's programme; and ensuring compliance with all other relevant obligations. It also liaised with the representative of the Institute's auditors — the Comptroller and Auditor General. The committee undertook a review of the Institute's *Corporate Governance Manual* and identified changes to be made so as to



Cyril Sullivan,  
Director of Finance and Information Systems



Dymphna Lynch  
Human Resource Manager/Company  
Secretary

# INSTITUTE GOVERNANCE & ADMINISTRATION

ensure compliance with the new Department of Finance *Code of Practice for the Governance of State Bodies*. Work on implementing these changes is at an advanced stage. The internal audit function was re-tendered, and PricewaterhouseCoopers was awarded the contract.

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

John Tierney reports:

The committee met on six occasions during the year. With the ongoing difficult economic trading environment generally, the main business transacted was to monitor the Institute's monthly financial and cash flow reports to ensure that they were performing as planned. The committee also approved the 2010 budget and, on behalf of the Board, reviewed the quarterly management accounts and financial forecasts. As stated above, given the continued difficult trading conditions for the IPA in 2010, the committee placed a particular emphasis on this work.

On behalf of the Board, the committee also conducted detailed discussions with each of the potential candidates involved in the university collaboration process. As the committee concluded the process mid year, it recommended that the IPA should move forward with a strategic alliance with UCD as it offered the Institute the best opportunity to maintain its relationship with the public service generally, while at the same time creating new and more lucrative business synergies.

The committee also advised the Board on a number of key strategic issues that arose during the year, including reviewing performance against the 2010 corporate business plan and the development of the 2011-2015 corporate strategic plan. It made recommendations to the Board on the development of the IPA's Lansdowne Road campus, principally No. 55, so as to facilitate the transfer of staff from the Clonskeagh office in early 2011, thereby achieving a key strategic objective of consolidating the Institute's activities onto one campus. It also maintained a watching brief of the transfer of the IPA's pension fund to the National Pension Reserve Fund on 30 June 2010 in line with the provisions of the Financial Measures (Miscellaneous Provisions) Act, 2009.

# INSTITUTE GOVERNANCE & ADMINISTRATION

## 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 77 corporate members of the Institute and 1,800 members, incorporating both students and interested members of the general public.

# INSTITUTE GOVERNANCE & ADMINISTRATION

## BOARD ATTENDANCE 2010

### 9 MEETINGS

No.	Name	Attended	Notes
1	Séan Aylward	3 meetings	Appointed in June 2010
2	Phyllis Behan	3 meetings	Appointed in June 2010
3	Marie Brady	3 meetings	Term of office ended in June 2010
4	John Campion	4 meetings	Appointed in June 2010
5	Brian Cawley	9 meetings	
6	Donal Connell	3 meetings	Appointed in June 2010
7	Martin Cronin	4 meetings	Term of office ended in June 2010
8	Gabriel D'Arcy	2 meetings	Appointed in June 2010
9	Raymond Dolan	8 meetings	
10	Des Dowling	8 meetings	
11	Michael Errity	4 meetings	
12	Robert Galavan	6 meetings	
13	Cathal Goan	3 meetings	Term of office ended in June 2010
14	Paul Haran	0 meetings	Appointed in June 2010; did not attend Board meetings pending agreement with UCD on strategic alliance, which concluded in December 2010
15	David Hughes	4 meetings	Appointed in June 2010
16	Carmel Keane	6 meetings	
17	Martin McDonald	7 meetings	
18	Morgan McKnight	3 meetings	
19	Sinéad McNamara	5 meetings	Appointed in June 2010
20	Peter Nolan	0 meetings	Term of office ended in June 2010
21	Julie O'Neill	2 meetings	Term of office ended in June 2010
22	Frances Spillane	7 meetings	
23	David Thomas	3 meetings	Term of office ended in June 2010
24	John Tierney	9 meetings	

# INSTITUTE GOVERNANCE & ADMINISTRATION

## ADMINISTRATION COMMITTEE ATTENDANCE 2010

### 2 MEETINGS

No.	Name	Attended	Notes
1	Séan Aylward	0 meetings	No meetings held since appointment in June 2010
2	Phyllis Behan	0 meetings	No meetings held since appointment in June 2010
3	Donal Connell	0 meetings	No meetings held since appointment in June 2010
4	Carmel Keane	2 meetings	
5	Martin McDonald	1 meeting	Chairman
6	Julie O'Neill	0 meetings	Term of office ended in June 2010
7	Frances Spillane	2 meetings	

## AUDIT COMMITTEE ATTENDANCE 2010

### 4 MEETINGS

No.	Name	Attended	Notes
1	John Campion	2 meetings	Appointed in June 2010
2	Raymond Dolan	4 meetings	Appointed Chairman in June 2010
3	Robert Galavan	3 meetings	
4	Cathal Goan	3 meetings	Term of office as Chairman ended in June 2010
5	David Hughes	2 meetings	Appointed in June 2010
6	Morgan McKnight	2 meetings	
7	David Thomas	2 meetings	Term of office ended in June 2010

# INSTITUTE GOVERNANCE & ADMINISTRATION

## FINANCE AND STRATEGY COMMITTEE ATTENDANCE 2010

### 6 MEETINGS

No.	Name	Attended	Notes
1	Marie Brady	4 meetings	Term of office ended in June 2010
2	Martin Cronin	1 meeting	Term of office ended in June 2010
3	Gabriel D'Arcy	2 meetings	Appointed in June 2010
4	Des Dowling	5 meetings	
5	Michael Errity	3 meetings	
6	Paul Haran	0 meetings	Appointed in June 2010; did not attend Committee meetings pending agreement with UCD on strategic alliance, which concluded in December 2010
7	Sinéad McNamara	5 meetings	Appointed in June 2010
8	Peter Nolan	1 meeting	Term of office ended in June 2010
9	John Tierney	5 meetings	Chairman

## HUMAN RESOURCES MANAGEMENT

In accordance with our 2010 corporate business plan, the 2010 training and development plan placed particular emphasis on quality and professional service, teamwork, accountability and continuous updating of knowledge and understanding of key issues in public policy. Staff continued to be supported in achieving relevant third-level qualifications both within the Institute and externally.

The Institute commenced the process of developing an organisation design that will best support the achievement of the 2011-2015 corporate strategy and also take account of the flexibility and efficiency measures of the action plan relating to the Croke Park Agreement. It is intended that the redesigned structure will be implemented during 2011. Aligned to this process, the Institute undertook an Institute-wide competency audit. An analysis of the competencies required to deliver the new strategic plan will form part of the organisation redesign process and will inform future training and development plans.

## STAFF MOVEMENT

In 2010 Theresa Keane left the Institute and John Paul Owens joined the Institute.

# FINANCIAL PERFORMANCE



# FINANCIAL PERFORMANCE

The financial statements that follow set out in detail the financial operation of the Institute for the year. The ongoing trading difficulties in the Irish economy, and the related contraction in government spending, continued to impact on the Institute's operating income during 2010. Compared with 2009, operating income was down at €13.0m from €16.0m, a decrease of 19%. However, as the IPA foresaw the potential impact on its 2010 turnover, it took the necessary steps to reduce both its pay and non-pay costs. The impact of this work was to reduce expenditure to €12.5m, compared to €16.0m for 2009, representing a decrease of the order of 22%. Following a pension accounting standard (FRS17) actuarial adjustment of €0.4m to the IPA's pension costs in the income statement, an operating surplus of €401,000 is reported. In summary, the Institute continued to stabilise its finances during a difficult economic period.

The Institute's earnings were made up of training and international services (37%), education-fee income (29%), research income (3%), publications and membership income (6%) and a grant-in-aid (25%) paid by the Department of Finance. Overall, year-on-year decreases in income are directly related to decreases in levels of activity in a more uncertain trading environment. The IPA's cost structure, on the other hand, was primarily governed by direct and indirect costs (which decreased in line with lower income and very successful value-for-money reviews), salary costs and debt-servicing costs. Salary costs were governed by three factors: namely, the number of permanent staff employed, the decrease in public sector salaries announced by the Minister for Finance in his 2010 budget and the Institute's obligations to the staff defined-benefit pension scheme. With the public sector moratorium on staff recruitment, the Institute's staff numbers remained at 99 in 2010, and the level of employer pension contribution continues as before (at 34.6% of salaries) following the fund transfer to the National Pension Reserve Fund, thus leaving the public sector pay cut of 2010 as the main contributor to lower salary costs. In the matter of the transfer of the IPA's pension fund to the National Pension Reserve Fund, the accounting treatment of pension contributions from 1st July 2010 onwards is reflected in the Financial Statements as a 'contribution to the Exchequer'.

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 inter-bank interest rates, which were also eased during 2010, resulting in a full-year interest charge of €64,650.



# FINANCIAL PERFORMANCE

As stated above, one significant development during 2010 was the transfer of the Institute's pension fund to the National Pension Reserve Fund as per the provisions of the Financial Measures (Miscellaneous Provisions) Act, 2009. The resultant effect on our balance sheet was very positive in that the net asset value increased from €0.27m to €13.2m.

In overall financial management terms, given the extremely straitened trading conditions, the Institute continued to stabilise its finances during 2010 with a small operating surplus achieved. In addition, the IPA's balance sheet reserves have also recovered positively to pre-2005 values.

## Internal Systems Enhancements

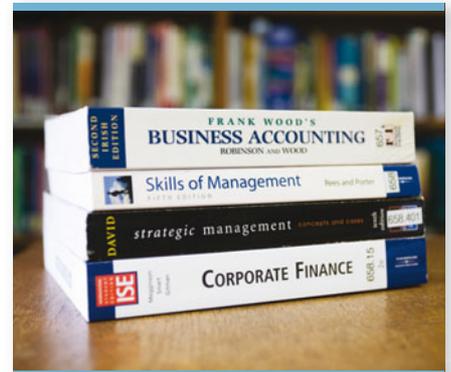
In line with the Institute's information systems strategy, there were further developments in the internal IT hardware and software infrastructure. The quality of the IPA's financial management system (FMS) was key in enabling the Institute to prepare accurate forecasts and to manage the sizeable fall-off in income levels. Internal management systems were further developed during the year, with enhanced management information system reporting facilities from the IPA's FMS being made available across the IPA, financial awareness sessions held for all staff and the embedding of the FMS business performance module. The focus on good-quality management information reporting will be a key focus during 2011.

## Financial Prospects for 2011

Given that the ongoing difficult economic trading conditions for all businesses are expected to continue until at least 2014, the Institute is focusing on maintaining a relatively stable set of finances for 2011. Turnover is expected to stabilise at €13m with a break-even budget. The IPA continues to look for new opportunities to sustain its income base (such as a university collaboration) and to reduce both its pay and non-pay cost structures.

## Compliance

The Institute complied with its financial, taxation and regulatory obligations during 2010, and continued to review and update its corporate governance structures.



**INSTITUTE OF PUBLIC ADMINISTRATION**  
(Company Limited by Guarantee)

# **FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010**



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- 53** Financial Statements
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# DIRECTORS AND OTHER INFORMATION

DIRECTORS	
J. Tierney	(Chair)
M. McDonald	(Vice-Chair)
B. Cawley	(Director General)
S. Aylward	(appointed June 2010)
P. Behan	(appointed June 2010)
M. Brady	(term of office ended June 2010)
J. Campion	(appointed June 2010)
D. Connell	(appointed June 2010)
M. Cronin	(term of office ended June 2010)
G. D'Arcy	(appointed June 2010)
R. Dolan	
D. Dowling	
M. Errity	
R. Galavan	
C. Goan	(term of office ended June 2010)
P. Haran	(appointed June 2010)
D. Hughes	(appointed June 2010)
C. Keane	
M. McKnight	
S. McNamara	(appointed June 2010)
P. Nolan	(term of office ended June 2010)
J. O'Neill	(term of office ended June 2010)
F. Spillane	
D. Thomas	(term of office ended June 2010)

AUDITORS
The Comptroller and Auditor General
Dublin Castle
Dublin 2

SOLICITORS
O'Donnell Sweeney Eversheds Solicitors
Earlsfort Terrace
Dublin 2

SECRETARY AND REGISTERED OFFICE
Dymphna Lynch
59 Lansdowne Road
Dublin 4

PRINCIPAL BANKERS
Allied Irish Bank
Bank Centre
Ballsbridge
Dublin 4

# REPORT OF THE DIRECTORS IN RESPECT OF THE YEAR ENDED 31 DECEMBER 2010

## STATEMENT OF DIRECTORS' RESPONSIBILITIES

1. Company law requires the directors to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the company and of the surplus of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Acts, 1963 to 2009. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## PRINCIPAL ACTIVITIES

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

## REVIEW OF BUSINESS AND FUTURE DEVELOPMENTS

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

## RESULTS

4. The income and expenditure account for the year and the appropriation thereof are set out on page 53.

## HEALTH AND SAFETY

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

## CORPORATE GOVERNANCE

6. In accordance with good corporate governance, the Board has established an effective committee structure to assist in the discharge of its responsibilities. Each committee has formal terms of reference approved by the Board, and each committee periodically reports to the Board on its activities. The committees in operation at 31 December 2010 were the Administration Committee, the Audit Committee and the Finance and Strategy Committee. On behalf of the Board, management carry out an annual review of business operational risks.

## RESEARCH AND DEVELOPMENT

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

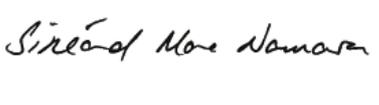
## PROPER BOOKS OF ACCOUNT

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

## AUDITORS

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

On behalf of the Board,

Raymond Dolan

Sinéad McNamara

DIRECTORS

25 May 2011, Dublin

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

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## INSTITUTE OF PUBLIC ADMINISTRATION

I have audited the financial statements of the Institute of Public Administration for the year ended 31 December 2010 under the Comptroller and Auditor General (Amendment) Act 1993. The financial statements, which have been prepared under the accounting policies set out therein, comprise the Statement of Accounting Policies, the Statement of Income and Expenditure, the Statement of Total Recognised Gains and Losses, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law 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 of the state of the company's affairs and of its income and expenditure, 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 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 all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements. If I become aware of any apparent material misstatements or inconsistencies, I consider the implications for my report.

## OPINION ON THE FINANCIAL STATEMENTS

In my opinion, the financial statements:

- give a true and fair view, in accordance with Generally Accepted Accounting Practice in Ireland, of the state of the company's affairs at 31 December 2010 and of its income and expenditure for the year then ended; and
- have been properly prepared in accordance with the Companies Acts 1963 to 2009.

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

In my opinion, the information given in the Directors' Report is consistent with the financial statements.

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

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## MATTERS ON WHICH I REPORT BY EXCEPTION

I report by exception if

- my audit noted any material instance where moneys have not been applied for the purposes intended or where the transactions did not conform to the authorities governing them, or
- the information given in the Annual Report for the year ended 31 December 2010 is not consistent with the financial statements, or
- the Statement on Internal Financial Control does not reflect the company's compliance with the Code of Practice for the Governance of State Bodies, or
- I find there are other material matters relating to the manner in which public business has been conducted.

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



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

30 May 2011

# STATEMENT ON INTERNAL FINANCIAL CONTROL

The Board acknowledges its responsibility for the Institute of Public Administration's system of financial control. It also recognises that any system of financial control can only give a reasonable and not absolute assurance against any material errors. The internal financial controls in operation within the Institute during 2010 are outlined in the following.

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

## (A) CONTROL ENVIRONMENT

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

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

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

There are expenditure limits applied rigorously to all levels of management. This control is monitored by the Institute's Finance Office by way of both manual and electronic automated checks.

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

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

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

In line with the IPA's annual processes, a business risk review was carried out during the year, involving

the senior management group, highlighting the significant risks to the IPA's business with related necessary mitigating actions. The business risks identified in the review are being addressed, in the first instance, through the implementation of the Institute's corporate plan (corporate-level risk register), and then through the business planning process. For 2011, each business division will again be embedding their risk-mitigation activities in their annual business plans. These business plans and the risk-management activities are discussed by the Board on a half-yearly basis.

## (C) INFORMATION SYSTEMS

The Institute's information systems include an integrated financial and management accounting package, 'Integra'. There are integrated electronic financial control modules for income, expenditure, debtors, creditors, purchase ordering, payroll, staff travel and subsistence, and fixed assets on the system. 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 Publications Division operates a Sales Order Processing (SOP) module, catering for the sales ordering, invoicing and stock control. The Training Division uses an integrated Training Administration and Management System (TAMS) to manage the client booking and invoicing process. For our Education programmes, an integrated Student Information and Administration System (SIAS) manages student registration and fee collection.

## (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

# STATEMENT ON INTERNAL FINANCIAL CONTROL

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group reviews these accounts, involving a detailed examination of the underlying transactions and activities to ensure completeness and accuracy. These accounts are put before the Board on a quarterly basis.

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

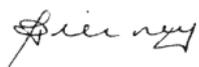
The Institute has an internal audit function. A detailed audit programme is prepared half-yearly and approved by the Board through its Audit Committee. The Audit Committee reviews the audit reports prepared, with recommendations adopted as appropriate.

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 2010 was carried out. The Institute's Board reviewed the effectiveness of the internal financial control systems at its meeting on 10 February 2011.

On behalf of the Board,



CHAIRMAN

25 May 2011



DIRECTOR GENERAL

# STATEMENT OF ACCOUNTING POLICIES

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

## (A) INCOME

Income, comprising mainly fees and the state grant-in-aid, is included on a receivable basis with the exception of subscriptions, which are taken into income when received. Course fees are taken into the Statement of Income and Expenditure during the period of the course.

## (B) FIXED ASSETS AND DEPRECIATION

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

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

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

## (C) STOCKS

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

## (D) DEBTORS

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

## (E) CAPITAL GRANTS

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

## (F) LEASED ASSETS

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

## (G) PENSION COSTS

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

For the period to 30 June 2010, the scheme was funded by contributions from the Institute and employees, which were transferred to a separate trustee administered fund net of pensioner payments and scheme expenses. From 1 July 2010, the Institute became responsible for the administration of the pension payments to pensioners on behalf of the Exchequer. Under the new arrangement the Institute's funding contribution will continue in being, and is payable to the Department of Finance after taking account of pensions paid. The department will provide funding where the pensions paid exceed the contribution.

# STATEMENT OF ACCOUNTING POLICIES

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

The pension charge in the Income and Expenditure Account comprises the current service cost and past service cost plus the difference between the expected return on scheme assets and the interest cost on the scheme liabilities up to the date of transfer of the pension fund assets, and the Institute's contribution payable to the Department of Finance from the date of transfer in line with the funding arrangements.

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

# FINANCIAL STATEMENTS

## STATEMENT OF INCOME AND EXPENDITURE FOR THE YEAR ENDED 31 DECEMBER 2010

	Note	2010 €	2009 €
<b>INCOME</b>			
Fee Income	1	8,888,739	11,281,432
Sale of Publications	2	502,427	789,635
Subscriptions		318,124	367,080
Vote 6 – Office of the Minister for Finance, Grant-in-Aid	3	3,304,000	3,604,000
		<b>13,013,290</b>	<b>16,042,147</b>
<b>LESS:</b>			
<b>OPERATING EXPENDITURE</b>			
Direct Costs	5	3,519,415	4,473,224
Salary Costs	6	6,475,828	9,357,937
Administration Expenses	7	1,552,080	1,988,235
Interest Payable and Similar Charges		64,650	146,478
		<b>11,533,973</b>	<b>15,965,874</b>
Operating Surplus for the Year		<b>1,401,317</b>	<b>76,273</b>
Less Contribution to Exchequer:		<b>(1,000,000)</b>	<b>-</b>
Surplus after Exchequer Contribution:		<b>401,317</b>	<b>76,273</b>

## STATEMENT OF MOVEMENTS IN ACCUMULATED SURPLUS

Accumulated Surplus at 1 January 2010		1,935,202	1,928,929
Surplus for the Year		401,317	76,273
Transfer to Pension Reserve	14	(2,319,801)	(70,000)
Accumulated Surplus at 31 December 2010		<b>16,718</b>	<b>1,935,202</b>

The surplus for the year ended 31 December 2010 relates to continuing activities.

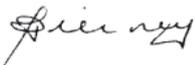
# FINANCIAL STATEMENTS

## STATEMENT OF INCOME AND EXPENDITURE FOR THE YEAR ENDED 31 DEC 2010 (CONTINUED)

### STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

	Note	2010 €	2009 €
Surplus for the Year		401,317	76,273
Actuarial Gain/Loss on Pensions		(1,110,000)	6,559,000
Transfer of Pension Fund Assets to NPRF		(24,665,000)	-
Actuarial Gain/(Loss)	15	38,444,000	-
<b>Total Recognised Gains/(Losses) in the Year</b>		<b>13,070,317</b>	<b>6,635,273</b>

The accounting policies on page 51 and notes on pages 58 to 65 form part of these Financial Statements.



John Tierney  
**Chairman of the Board**



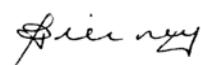
Raymond Dolan  
**Member of the Board**

# FINANCIAL STATEMENTS

## BALANCE SHEET AS AT 31 DECEMBER 2010

	Note	2010		2009	
		€	€	€	€
<b>FIXED ASSETS</b>					
Tangible Assets	9		17,378,813		17,864,317
<b>CURRENT ASSETS</b>					
Stocks	8	171,931		224,883	
Debtors	10	1,489,182		2,139,790	
Cash at Bank and in Hand		1,686,353		1,716,559	
		3,347,466		4,081,232	
<b>CREDITORS</b>					
Amounts Falling Due within One Year	11	3,353,944		4,194,996	
Net Current Assets/(Liabilities)			(6,478)		(113,764)
Total Assets Less Current Liabilities			17,372,335		17,750,553
20-Year Mortgage Facility	11		(4,181,640)		(4,418,352)
Total Assets Less Liabilities Excluding Pension Liability			13,190,695		13,333,201
Long-Term Pension Liability	15		(38,375,000)		(37,588,000)
Pension Scheme Asset			-		24,526,000
Deferred Pension Asset	15		38,375,000		-
Net Assets/(Liabilities) Including Pension Liability			13,190,695		270,201
<b>CAPITAL AND RESERVES</b>					
Reserves	14		11,761,548		11,922,747
Accumulated Surplus on Income & Expenditure Account			16,718		1,935,202
Pension Reserve	14		-		(15,150,000)
Capital Grants	13		1,412,429		1,562,252
			13,190,695		270,201

The accounting policies on page 51 and notes on pages 58 to 65 form part of these Financial Statements.



John Tierney  
Chairman of the Board



Raymond Dolan  
Member of the Board

# FINANCIAL STATEMENTS

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2010

	€	2010 €	€	2009 €
<b>RECONCILIATION OF OPERATING SURPLUS TO NET CASH INFLOW FROM OPERATING ACTIVITIES</b>				
Operating Surplus/(Deficit)		401,317		76,273
Net Interest	64,650		146,478	
Depreciation	567,743		676,687	
Amortisation of Grants	(149,823)		(149,823)	
(Increase)/Decrease in Stock	52,952		(106,219)	
(Increase)/Decrease in Debtors	650,608		899,326	
Increase/(Decrease) in Creditors	(841,052)		(1,185,810)	
FRS17/Actuarial Adjustment	(392,000)		(460,202)	
	(46,922)		(179,564)	
<b>Net Cash Inflow from Operating Activities</b>		<b>353,395</b>		<b>(103,291)</b>
<b>CASH FLOW STATEMENT</b>				
<b>Net Cash Inflow from Operating Activities</b>		<b>353,395</b>		<b>(103,291)</b>
<b>RETURN ON INVESTMENTS AND SERVICING OF FINANCE</b>				
Interest Paid		(64,650)		(146,478)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Payments to Acquire Tangible Fixed Assets	(82,239)		(42,830)	
Disposals	-	(82,239)	9,392	(33,438)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
20-Year Mortgage Facility	(236,712)	(236,712)	(192,962)	(192,962)
<b>Increase/(Decrease) in Cash in Year</b>		<b>(30,206)</b>		<b>(476,169)</b>

# FINANCIAL STATEMENTS

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2010 (CONTINUED)

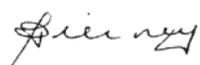
### RECONCILIATION OF NET CASH TO MOVEMENT IN NET DEBT

	2010 €	2009 €
Increase/(Decrease) in Cash	(30,206)	(476,169)
(Increase)/Decrease 20-Year Mortgage Facility	236,712	192,962
Movement in Net Debt in Year	206,506	(283,207)
Net Funds/(Debt) at 1 January	(2,701,793)	(2,418,586)
<b>Net Debt at 31 December</b>	<b>(2,495,287)</b>	<b>(2,701,793)</b>

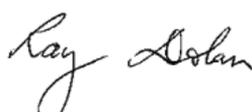
### ANALYSIS IN CHANGES IN NET FUNDS/(DEBT)

	At 31 December 2009	Cash Flows	At 31 December 2010
Cash in Hand/at Bank	1,716,559	(30,206)	1,686,353
20-Year Mortgage Facility	(4,418,352)	236,712	(4,181,640)
<b>Total</b>	<b>(2,701,793)</b>	<b>206,506</b>	<b>(2,495,287)</b>

The accounting policies on page 51 and notes on pages 58 to 65 form part of these Financial Statements.



John Tierney  
**Chairman of the Board**



Raymond Dolan  
**Member of the Board**

# FINANCIAL STATEMENTS

## NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2010

	2010 €	2009 €
<b>1. FEE INCOME</b>		
Training	4,754,574	6,849,781
Education	3,806,053	4,213,866
Research	328,112	217,785
	<b>8,888,739</b>	<b>11,281,432</b>

### 2. SALE OF PUBLICATIONS

Income from IPA Publications	470,229	754,222
Third Party Sales - Income	35,484	40,649
Related Expenditure	(3,286)	(5,236)
	<b>32,198</b>	<b>35,413</b>
	<b>502,427</b>	<b>789,635</b>

### 3. GRANT-IN-AID

The total grant-in-aid is €3,400,000, of which €96,000 went to Subscriptions. The grant-in-aid is provided by the Department of Finance towards liabilities under general non-pay expenses and is drawn down by the Institute on an annual basis.

### 4. OPERATING SURPLUS

The operating surplus is stated after charging or crediting.

#### (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 2010, only one member (R. Dolan) claimed travel and subsistence in the amount of €1,520.80.

(b) Remuneration of the Director General (including salary, PRSI and, up to 30 June, the employer's contribution to pension per standard public sector rates. As set out in Note 15, with effect from 1 July 2010, the IPA's pension fund assets were transferred to the National Pension Reserve Fund. The Director General's pension entitlements do not extend beyond the standard entitlements in the public sector superannuation scheme).	272,463	286,469
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The Director General's 2010 travel and subsistence expenses were €2,278.

(c) Auditor's Remuneration	22,900	28,905
(d) Depreciation (Net of Disposals)	567,743	676,687
(e) Interest Payable and Similar Charges (Institute has no charges)	-	-
Interest Payable on Sums Repayable within Five Years	-	-
Interest Payable on Sums Repayable Over a Period Greater than Five Years	64,650	146,478
(f) Grant Credit	(149,823)	(149,823)
(g) Increase in Provision for Bad Debts	-	20,000

# FINANCIAL STATEMENTS

## NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2010 (CONTINUED)

### 5. ANALYSIS OF DIRECT COSTS

	2010 €	2009 €
Training	1,429,535	1,834,424
Education	1,652,195	1,822,183
Publications	295,638	312,424
Research	28,113	46,384
General	113,934	457,809
	<b>3,519,415</b>	<b>4,473,224</b>

### 6. EMPLOYEE INFORMATION

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

	2010	2009
Training	43	43
Education	22	22
Publications	4	4
Research	5	5
General	25	25
	<b>99</b>	<b>99</b>

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

	2010 €	2009 €
Wages and Salaries	5,298,740	6,887,336
Pension Costs (Note 15)	646,000	1,793,285
Social Insurance Costs	531,088	677,316
	<b>6,475,828</b>	<b>9,357,937</b>

€381,503.78 of pension levy has been deducted and paid over to the Department of Finance.

Pay reductions in line with the requirements of the Financial Emergency Measures in the Public Interest Act, 2009, were implemented by the IPA in 2010.

# FINANCIAL STATEMENTS

## NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2010 (CONTINUED)

### 7. ANALYSIS OF ADMINISTRATION EXPENSES

	2010 €	2009 €
Repairs, Cleaning, Maintenance	272,283	321,209
Depreciation less Capital Grants Amortised	417,920	526,864
Stationery and Photocopying	149,094	162,035
Light, Heat, Phone	212,166	162,800
Postage	75,463	104,523
Insurance	30,134	27,230
Corporate Affairs and Marketing	145,168	400,110
Staff Development	65,720	73,657
Staff Recruitment and Support Expenses	-	7,905
General	184,132	201,902
	<b>1,552,080</b>	<b>1,988,235</b>

### 8. STOCKS

Stationery and Books	171,931	224,883
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# FINANCIAL STATEMENTS

## NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2010 (CONTINUED)

### 9. FIXED ASSETS, TANGIBLE ASSETS

	Land and Buildings <sup>(a)</sup>	Office Machines	Furniture, Fittings, Equipment & Library Books	Total
<b>COST OR VALUATION</b>				
At 1 January 2010	€	€	€	€
Cost	12,883,325	1,574,284	2,437,549	16,895,158
Valuation 1975	177,763	-	-	177,763
Valuation 1999	7,382,114	-	-	7,382,114
	<b>20,443,202</b>	<b>1,574,284</b>	<b>2,437,549</b>	<b>24,455,035</b>
Additions	-	39,030	43,209	82,239
Disposals	-	-	-	-
	<b>20,443,202</b>	<b>1,613,314</b>	<b>2,480,758</b>	<b>24,537,274</b>
<b>DEPRECIATION</b>				
At 1 January 2010	3,299,379	1,449,556	1,841,783	6,590,718
Disposals	-	-	-	-
Charges for Year	407,083	22,960	137,700	567,743
	<b>3,706,462</b>	<b>1,472,516</b>	<b>1,979,483</b>	<b>7,158,461</b>
<b>NET BOOK VALUE</b>				
At 31 December 2010	<b>16,736,740</b>	<b>140,798</b>	<b>501,275</b>	<b>17,378,813</b>
<b>NET BOOK VALUE</b>				
At 31 December 2009	<b>17,143,823</b>	<b>124,728</b>	<b>595,766</b>	<b>17,864,317</b>

Note (a) Schedule of Properties and Type of Holding

57-67 Lansdowne Road	Freehold
49-51 Lansdowne Road	Freehold
55 Lansdowne Road	Freehold
Vergemount Hall, Clonskeagh	Virtual Freehold by Way of Peppercorn Rent

### 10. DEBTORS AND PREPAYMENTS

	2010	2009
	€	€
Trade Debtors	1,479,002	2,129,610
Prepayments and Accrued Income	10,180	10,180
(Trade Debtors is net of Bad Debts Provision of €77,189 (2009 - €80,000).)		
	<b>1,489,182</b>	<b>2,139,790</b>

# FINANCIAL STATEMENTS

## NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2010 (CONTINUED)

### 11. CREDITORS AND ACCRUALS

	2010 €	2009 €
(a) Amounts Falling Due within One Year		
Trade Creditors	290,133	333,553
Deferred Fee Income		
Fee Income	2,271,354	3,075,961
Sundry Creditors and Accruals	598,319	578,822
PAYE/PRSI	194,138	206,660
	<b>3,353,944</b>	<b>4,194,996</b>
(b) Long-Term Loan Facility		
€5m 20-Year Variable Rate Facility	4,181,640	4,418,352

### 12. SHORT-TERM INVESTMENTS

There were no short-term investment moneys in 2010.

### 13. CAPITAL GRANTS

At 1 January 2010	1,562,252	1,712,075
Capital Receipts	-	-
Amount Amortised to Income in Year	(149,823)	(149,823)
At 31 December 2010	<b>1,412,429</b>	<b>1,562,252</b>

### 14. RESERVES

	Capital Reserve €	Revenue Reserve €	Accumulated Surplus on Income and Expenditure €	Pension Reserve €	Total €
At 1 January 2010	7,579,908	4,342,839	1,935,202	(15,150,000)	(1,292,051)
Surplus on Income and Expenditure Account			401,317		401,317
Actuarial Loss on Pension Scheme to June 2010				(1,110,000)	(1,110,000)
Transfer of Pension Fund Assets to NPRF				(24,665,000)	(24,665,000)
Deferred Pension Funding				38,444,000	38,444,000
Pension Reserve Deficit Adjustment		(161,199)	(2,319,801)	2,481,000	-
At 31 December 2010	<b>7,579,908</b>	<b>4,181,640</b>	<b>16,718</b>	<b>-</b>	<b>11,778,266</b>

The adjustment to the pension reserve represents the deficit remaining after the transfer of pension assets to the NPRF and the recognition of a deferred funding asset under the funding arrangements, which was written back to other reserves and surplus income.

# FINANCIAL STATEMENTS

## NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2010 (CONTINUED)

### 15. PENSIONS

#### (a) Pension Liability and Asset

As outlined in the Statement of Accounting Policies, the Institute's pension fund was transferred to the National Pension Reserve Fund (NPRF) on 30 June 2010 in accordance with the Financial Measures (Miscellaneous Provisions) Act, 2009. The present value of funded obligations and fair value of scheme assets at the date of transfer are set out below.

	€
<b>Present Value of Scheme Obligations at Beginning of Year</b>	37,588,000
Current Service Cost	346,000
Interest Cost	1,125,000
Actuarial (Gain)/Loss	315,000
Benefits Paid	(880,000)
Member Contributions	23,000
Expenses Paid	(73,000)
<b>Present Value of Scheme Obligations at 30 June 2010</b>	<b>38,444,000</b>

	€
<b>Fair Value of Scheme Assets at Beginning of Year</b>	24,526,000
Expected Return on Scheme Assets	864,000
Actuarial Gain/(Loss)	(795,000)
Employer Contributions	1,000,000
Member Contributions	23,000
Benefits Paid from Plan	(880,000)
Expenses Paid	(73,000)
Transfer of Scheme Assets to NPRF on 30 June	(24,665,000)
<b>Fair Value of Scheme Assets at 30 June 2010</b>	<b>nil</b>

Following the transfer of scheme assets of €24,665,000, the Institute is required to pay the Department of Finance an annual contribution after taking account of pensions due for payment. The department will provide funding where the pensions paid exceed the contribution. The Board has adapted the treatment and disclosures required by the accounting standard Financial Reporting Standard 17 (Retirement Benefits) to reflect the arrangements in operation. While the funding arrangement operates on a net pay over basis with the department, the Institute believes the nature of the arrangement is akin to a full reimbursement of the pension liability when those liabilities fall due for payment and therefore recognises its right to the reimbursement as a separate asset in an amount equal to the liability at the year end.

The FRS17 pension liability at 31 December 2010 is €38,374,000 (2009: €37,588,000) based on an actuarial valuation of the pension liabilities in respect of Institute staff as at 31 December 2010, carried out by a qualified independent actuary for the purposes of FRS 17. A deferred funding asset of €38,374,000 equal to the liability at 31 December 2010 is recognised as a separate asset on the Balance Sheet.

# FINANCIAL STATEMENTS

## NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2010 (CONTINUED)

### 15. PENSIONS

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

The pension cost recognised in the year of €646,000 (2009: €1,793,285) comprises costs calculated in line with FRS17 up to 30 June.

(c) Contribution to the Exchequer

In accordance with the Financial Measures (Miscellaneous Provisions) Act 2009 and the arrangements set out in Note (a), contributions payable to the Exchequer by the Institute from surplus revenue available to it amounted to €1m in the period 1 July to 31 December 2010.

(d) Amount Recognised in the Statement of Total Recognised Gains and Losses

The amounts recognised in the Statement of Total Recognised Gains and Losses comprise:

	€
Actuarial Loss on Scheme Liabilities up to 30 June 2010	(315,000)
Actuarial Loss on Assets up to 30 June 2010	(795,000)
<hr/>	
Actuarial Loss up to 30 June 2010	(1,110,000)
Transfer of Asset to NPRF on 30 June 2010	(24,665,000)
<hr/>	
<b>Deferred Pension Funding at 30 June 2010</b>	<b>38,444,000</b>

Any actuarial gains or losses on scheme liabilities arising after 30 June calculated under FRS17 are reflected in the Scheme Liability and Asset at the year end in accordance with the arrangements set out at (a) above.

(e) Description of Scheme and Actuarial Assumptions

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

The financial assumptions used for FRS17 purposes were:

	At Year-end 31/12/2010	At Year-end 31/12/2009
Rate of Increase in Salaries	3.00%	3.00%
Rate of Increase in Pensions in Payments	3.00%	3.00%
Rate of Increase in Pensions in Deferment	2.50%	2.50%
Discount Rate	5.50%	6.00%
Inflation	2.00%	2.00%

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 2010:

	Male	Female
Member age 65 (current life expectancy)	22.0	21.6
Member age 40 (life expectancy at age 65)	26.1	27.1

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

The actuary has adopted the published mortality tables '85% PMA 2015' for existing pensioners and '85% PMA 2030' for future pensioners. The above assumptions are the same as those used in last year's disclosures.

# FINANCIAL STATEMENTS

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## NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2010 (CONTINUED)

### (f) Funding of Pension

The IPA expects to contribute €1.6m to its pension scheme in 2011.

### 16. TRANSFER OF IPA PENSION FUND TO NATIONAL TREASURY MANAGEMENT AGENCY

Per the Financial Measures (Miscellaneous Provisions) Act, 2009, the Institute's pension fund was transferred to the National Pension Reserve Fund at the National Treasury Management Agency on 30 June 2010.

### 17. BOARD MEMBERS' INTERESTS

The Board adopted procedures in accordance with the revised *Code of Practice (2009) 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.

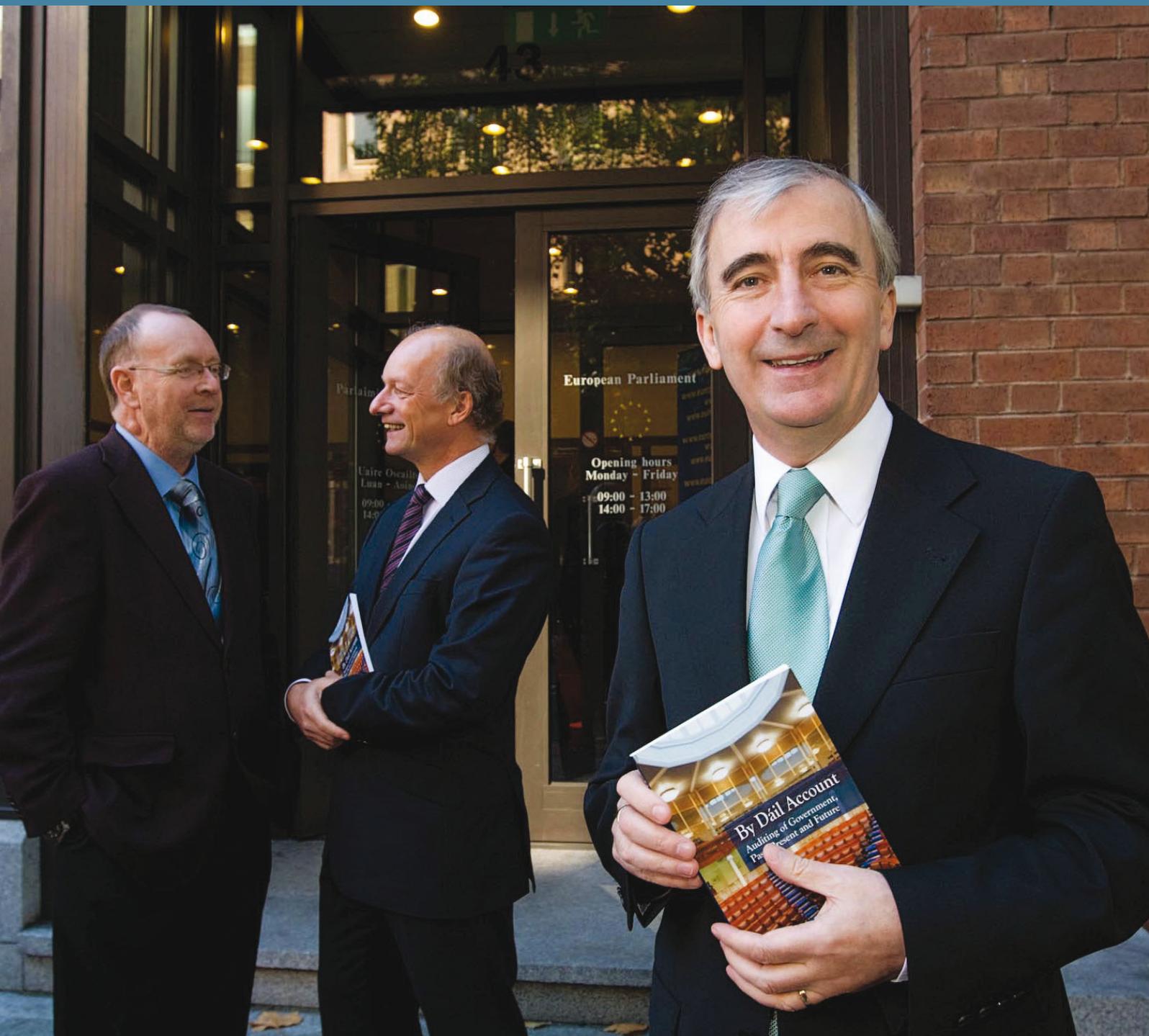
### 18. COMPARATIVE FIGURES

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

### 19. APPROVAL OF FINANCIAL STATEMENTS

The Financial Statements were approved by the Board of the Institute on **25 May 2011**.

# INSTITUTE SENIOR MANAGEMENT



# INSTITUTE SENIOR MANAGEMENT



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