

---

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

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
31 DECEMBER 2020**

TABLE OF CONTENTS	Page No
DIRECTORS AND OTHER INFORMATION	3
GOVERNANCE STATEMENT AND DIRECTORS' REPORT	4 - 11
STATEMENT ON INTERNAL CONTROL	12 - 14
REPORT OF THE COMPTROLLER AND AUDITOR GENERAL	15 - 17
STATEMENT OF INCOME AND EXPENDITURE	18
STATEMENT OF COMPREHENSIVE INCOME	19
STATEMENT OF CHANGES IN EQUITY	20
STATEMENT OF FINANCIAL POSITION	21
STATEMENT OF CASH FLOWS	22
NOTES TO THE FINANCIAL STATEMENTS	23 - 33

---

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

**DIRECTORS AND OTHER INFORMATION**  
**For the year ended 31 December 2020**

---

**DIRECTORS**

Ms Elizabeth Adams  
Mr George Burke  
Dr Pamela Byrne  
Ms Teresa Cody (resigned June 2020)  
Mr Ray Dolan (resigned December 2020)  
Dr Lucy Fallon-Byrne (resigned December 2020)  
Dr Pat Gallagher (Vice-Chair, appointed October 2019)  
Ms Carolyn Gormley (resigned December 2020)  
Dr Attracta Halpin  
Mr Greg Dempsey (appointed October 2020)  
Dr Fergal Lynch (Chair, appointed October 2019)  
Mr Stephen Mulvany  
Mr Pat Naughton  
Ms Mary Hurley (appointed September 2020)  
Dr Marian O'Sullivan  
Mr Barry Quinlan (resigned July 2020)

**SECRETARY & REGISTERED OFFICE**

Ms Katherina McCaul (resigned April 2020)  
Mr Ray Mooney (appointed March 2020)  
59 Lansdowne Road  
Dublin 4

**AUDITORS**

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

**PRINCIPAL BANKERS**

Allied Irish Bank  
52 Upper Baggot Street  
Dublin 4

Bank of Ireland  
Lower Mayor Street  
Dublin 1

**SOLICITORS**

Eversheds  
Earlsfort Terrace  
Dublin 2

**COMPANIES REGISTRATION OFFICE NUMBER**

21087

**REGISTERED CHARITY NUMBER**

20008031

**CHY (REVENUE) NUMBER**

5401

**GOVERNANCE STATEMENT AND DIRECTORS' REPORT**  
**For the year ended 31 December 2020**

---

**GOVERNANCE**

**The IPA Board**

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

**The Board membership for 2020 was as follows:**

- Dr Fergal Lynch, (Chair), Secretary General, Department of Children and Youth Affairs
- Dr Pat Gallagher, Chief Executive, Westmeath County Council (Vice Chair)
- Dr Marian O'Sullivan, Director General, IPA
- Mr Stephen Mulvany, Chief Financial Officer, Health Service Executive
- Ms Elizabeth Adams, Policy Officer, Dept. Of Health
- Ms Carolyn Gormley, IPA Staff Representative (resigned December 2020)
- Mr Pat Naughton, Executive Director, Group People and Sustainability, ESB
- Dr Lucy Fallon-Byrne, Assistant Secretary, Department of Public Expenditure and Reform (resigned December 2020)
- Mr Ray Dolan, CEO, Safefood Ireland (resigned December 2020)
- Mr George Burke, Principal Officer, Economic Infrastructure, Regulation and Climate Change Unit, Dept of An Taoiseach
- Dr Pamela Byrne, CEO Food Safety Authority of Ireland
- Dr Attracta Halpin, Registrar, National University of Ireland (NUI)
- Ms Teresa Cody, Assistant Secretary, Corporate Division, Dept. of Health (resigned June 2020)
- Mr Barry Quinlan, Assistant Secretary, Local Government Division, Department of Housing, Planning and Local Government (resigned July 2020)
- Mr Greg Dempsey, Deputy Secretary General, Dept. of Health
- Ms Mary Hurley, Assistant Secretary, Local Government Division, Department of Housing, Planning and Local Government

**The IPA Senior Management Team**

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

*The members of the SMG are*

- Dr Marian O'Sullivan, Director General
- Dr Michael Mulreany, Assistant Director General, Registrar and Head of the Whitaker School of Government and Management
- Dr Richard Boyle, Head of Research, Publishing and Corporate Relations (retired Dec 2020)
- Ms Teresa Casserly, Director, Training & Development and International Services
- Ms Noreen Fahy, Director of Finance & Corporate Services
- Mr Aidan Horan, Director, Training & Development and Consultancy Services
- Ms Katherina McCaul, Director of Human Resources and Company Secretary (Resigned April 2020)
- Ms Christine McNally, Human Resources Manager (appointed February 2020)

**GOVERNANCE STATEMENT AND DIRECTORS' REPORT**  
**For the year ended 31 December 2020**

---

**BOARD RESPONSIBILITIES**

**Matters Reserved for the Board**

The *Code of Practice for the Governance of State Bodies 2016*, outlines all the matters specifically reserved for Board decision. The following key matters are reserved for Board decision:

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

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

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

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

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

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

The IPA is responsible for keeping adequate accounting records which disclose with reasonable accuracy, at any time, the financial position of the Institute and which enable it to ensure that the financial statements comply with the *Code of Practice for the Governance of State Bodies 2016* obligations. The IPA is also responsible for safeguarding its assets and for taking reasonable steps for the prevention and detection of fraud or other irregularities.

The Board is responsible for approving the annual business plan and budget. The performance of the IPA against the annual business plan and budget is evaluated by the Finance & Strategy subcommittee and subsequently by the Board.

The Board considers that the annual financial statements 2020 give a true and fair view of the financial performance and the financial position of the Institute at 31 December 2020.

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

**GOVERNANCE STATEMENT AND DIRECTORS' REPORT**  
**For the year ended 31 December 2020**

**BOARD STRUCTURE**

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

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

All Board Members disclose any interest and absent themselves from Board discussions and decisions where they are conflicted or have a direct or indirect interest as required by the *Code of Practice for the Governance of State Bodies 2016*.

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

**Table 1: Board membership and term of office**

<b>Ref</b>	<b>Name</b>	<b>Role</b>	<b>Date of appointment</b>	<b>Current term ends</b>
1	Ms Elizabeth Adams	Ordinary Member	October 2019	AGM 2022
2	Mr George Burke	Ordinary Member	October 2019	AGM 2022
3	Dr Pamela Byrne	Ordinary Member	October 2019	AGM 2022
4	Ms Teresa Cody	Ordinary Member	October 2019	Resigned June 2020
5	Mr Greg Dempsey	Ordinary Member	October 2020	AGM 2023
6	Mr Ray Dolan	Ordinary Member (Co-Opted)	February 2009	Resigned December 2020
7	Dr Lucy Fallon Byrne	Ordinary Member	December 2016	Resigned December 2020
8	Dr Pat Gallagher	Ordinary Member (Vice Chair from October 2019)	June 2016	AGM 2022
9	Ms Carolyn Gormley	Ordinary Member	June 2017	Resigned December 2020
10	Dr Attracta Halpin	Ordinary Member	October 2019	AGM 2022
11	Ms Mary Hurley	Ordinary Member	September 2020	AGM 2023
12	Dr Fergal Lynch	Ordinary Member Chairperson from Oct 2019	June 2016	AGM 2022
13	Mr Stephen Mulvany	Ordinary Member	June 2016	AGM 2022
14	Mr Pat Naughton	Ordinary Member	June 2020	June 2023
15	Dr Marian O'Sullivan	Director General Ordinary Member	October 2015	
16	Mr Barry Quinlan	Ordinary Member	October 2019	Resigned July 2020

The Board has established three committees, as follows:

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

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

**GOVERNANCE STATEMENT AND DIRECTORS' REPORT**  
**For the year ended 31 December 2020**

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

Mr Ray Dolan (Chair until May 2020, resigned December 2020), Mr Pat Naughton (Chair from May 2020), Mr Barry Quinlan (Resigned July 2020), Dr Attracta Halpin, Mr George Burke. Mr Greg Dempsey (Appointed December 2020)

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

Dr Pat Gallagher, Chair, Ms Elizabeth Adams (Appointed October 2019), Mr Ray Dolan (Resigned December 2020), Ms. Teresa Cody (Resigned June 2020), Dr Lucy Fallon-Byrne (Resigned December 2020), Ms Mary Hurley (Appointed November 2020), Mr George Burke (Appointed November 2020), Dr Marian O'Sullivan.

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

Dr Fergal Lynch (Chair), Ms Carolyn Gormley (Retired December 2020), Mr Stephen Mulvany, Dr Pamela Byrne, Dr Marian O'Sullivan (Resigned December 2020), Mr Greg Dempsey (Appointed December 2020)

All committees formally report to the Board, providing such information or advice as deemed appropriate, through the Committee Chairperson's presentations to the Board about committee activities, issues and related recommendations. The Audit & Risk Committee provides the Board with a report summarising its conclusions from the work it has done during the year. The two other subcommittees of the Board report to the Board at the nearest subsequent Board meeting, providing formal minutes, oral updates and reports as and when required.

**Schedule of Board Members' Attendance, Fees\* and Expenses**

A schedule of attendance at the Board and Committee Meetings for 2020 is set out below including the fees and expenses received by each member.

Board Member	Board meeting	Audit & Risk Committee	Finance & Strategy Committee	Administration Committee
Ms Elizabeth Adams	9 of 10			
Mr George Burke	9 of 10	3 of 5		

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

**GOVERNANCE STATEMENT AND DIRECTORS' REPORT**  
**For the year ended 31 December 2020**

Dr Pamela Byrne	10 of 10		1 of 1	
Ms Teresa Cody	0 of 4			0 of 1
Mr Greg Dempsey	2 of 2			
Mr Ray Dolan	6 of 10	5 of 5		2 of 3
Dr Lucy Fallon-Byrne	9 of 10			3 of 3
Dr Pat Gallagher	9 of 10			3 of 3
Ms Carolyn Gormley	9 of 10		0 of 1	
Dr Attracta Halpin	9 of 10	5 of 5		
Ms Mary Hurley	3 of 3			
Dr Fergal Lynch	10 of 10		1 of 1	
Mr Stephen Mulvany	8 of 10		0 of 1	
Mr Pat Naughton	10 of 10	4 of 5		
Dr Marian O'Sullivan	10 of 10		1 of 1	3 of 3
Mr Barry Quinlan	5 of 6	2 of 2		

<i>Ref</i>	<i>Name</i>	<i>2020 Fees</i>	<i>2020 Expenses</i>
1	Ms Elizabeth Adams	0	0
2	Mr George Burke	0	0
3	Dr Pamela Byrne	0	0
4	Ms Teresa Cody	0	0
5	Mr Greg Dempsey	0	0
6	Mr Ray Dolan	0	0
7	Dr Lucy Fallon-Byrne	0	0
8	Dr Pat Gallagher	0	0
9	Ms Carolyn Gormley	0	0
10	Dr Attracta Halpin	0	0
11	Ms Mary Hurley	0	0
12	Dr Fergal Lynch	0	0
13	Mr Stephen Mulvany	0	0
14	Mr Pat Naughton	0	0
15	Dr Marian O'Sullivan	0	0
16	Mr Barry Quinlan	0	0

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



**GOVERNANCE STATEMENT AND DIRECTORS' REPORT**  
**For the year ended 31 December 2020**

**Key Personnel Changes**

During 2020, two Board members retired during the year while a further three retired in December 2020 at the AGM. In accordance with the IPA's Constitution (as amended in 2017), two replacement Board members were appointed and ratified at the Board meeting following their nomination.

There were two key management team changes in 2020.

1. Dr Richard Boyle, Head of Research, Publishing and Corporate Relations retired in December 2020. The recruitment campaign for his replacement was commenced in Q1, 2021.
2. Ms Katherina McCaul, Director of Human Resources and Company Secretary resigned in April 2020. Temporary appointments were made as follows:
  - a. Mr Ray Mooney was appointed as Company Secretary in March 2020
  - b. Ms Christine McNally was appointed as Head of Human Resources in April 2020The recruitment campaign for this post is scheduled for Q2, 2021.

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

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

**Employee Short-Term benefits breakdown**

Employees' short-term benefits in excess of €60,000 are disclosed below. Note: For the purposes of this disclosure, short-term employee benefits in relation to services rendered during the reporting period include salary, overtime and other payments made on behalf of the employee, but exclude employer's PRSI.

<b>SALARY BAND (€)</b> <b>2020</b>	<b>STAFF NUMBER</b>	<b>SALARY BAND (€)</b> <b>2019</b>	<b>STAFF NUMBER</b>
60,000 – 69,999	9	60,000 – 69,999	3
70,000 – 79,999	2	70,000 – 79,999	-
80,000 – 89,999	6	80,000 – 89,999	13
90,000 – 99,999	14	90,000 – 99,999	7
100,000 – 109,999	3	100,000 – 109,999	4
110,000 – 119,999	-	110,000 – 119,999	-
120,000 – 129,999	-	120,000 – 129,999	1
130,000 – 139,999	-	130,000 – 139,999	-
140,000 – 149,999	-	140,000 – 149,999	-
150,000 – 159,999	-	150,000 – 159,999	1
160,000 – 169,999	2	160,000 – 169,999	1

**GOVERNANCE STATEMENT AND DIRECTORS' REPORT**  
**For the year ended 31 December 2020**

**Consultancy Costs**

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

	<b>2020</b>	<b>2019</b>
	€	€
Legal Advice	3,801	1,306
Financial/actuarial advice	-	-
Public Relations/marketing	-	-
Human Resources	19,910	38,820
ICT Development Costs	79,605	-
Business improvement	-	8,130
Other	-	-
<b>Total consultancy costs</b>	<b>103,316</b>	<b>48,256</b>
Consultancy Costs Capitalised	79,605	-
Consultancy costs charged to Income and Expenditure	23,711	48,256
<b>Total consultancy costs</b>	<b>103,316</b>	<b>48,256</b>

**Legal Costs and Settlement**

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

	<b>2020</b>	<b>2019</b>
	€	€
Legal fees – legal proceedings	-	-
Conciliation and arbitration payments	-	-
Settlement	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**Travel and Subsistence Expenditure**

Travel and subsistence expenditure is categorised as follows:

	<b>2020</b>	<b>2019</b>
	€	€
Domestic		
• Board	-	-
• Employees	21,474	94,131
International		
• Board	-	-
• Employees	521	48,239
<b>Total</b>	<b>21,995</b>	<b>142,370</b>

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

**GOVERNANCE STATEMENT AND DIRECTORS' REPORT**  
**For the year ended 31 December 2020**

**Hospitality Expenditure**

The Income and Expenditure Account includes the following hospitality expenditure:

	<b>2020</b>	<b>2019</b>
	€	€
Staff hospitality	2,083	1,453
Client hospitality	-	-
<b>Total</b>	<b>2,083</b>	<b>1,453</b>

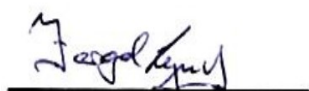
**Statement of Compliance**

The IPA has substantially complied with the requirements of the *Code of Practice for the Governance of State Bodies 2016* as published by the Department of Public Expenditure and Reform, insofar as was possible due to the unique nature of the IPA. The IPA Board continues to oversee, and seek assurances from the Director General on all matters related to compliance with the *Code of Practice for the Governance of State Bodies 2016*. Please refer to the Procurement section in the Statement of Internal control.

Throughout 2020, the Board and its subcommittees, engaged with the Director General and Senior Management Group, to ensure risks and threats posed by the impact of the Covid 19 Pandemic were managed and mitigated with minimal impact on the control environment within the IPA.

The Board is satisfied with the level of compliance in relation to the *Code of Practice for Governance of State Bodies 2016* as at year end 31<sup>st</sup> December 2020 having due regard to the guidance issued by the Department of Public Expenditure and Reform issued in November 2017.

**On behalf of the Board**



**Dr Fergal Lynch**  
**Chairperson**

**Date: 19 November 2021**

**STATEMENT ON INTERNAL CONTROL**  
**For the year ended 31 December 2020**

---

**Scope of Responsibility**

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

**Purpose of the System of Internal Control**

The system of internal control is designed to manage risk to a tolerable level rather than to eliminate it. The system can therefore only provide reasonable and not absolute assurance that assets are safeguarded, transactions authorised and properly recorded and that material errors or irregularities are either prevented, or detected in a timely way. The system of internal control, which accords with guidance issued by the Department of Public Expenditure and Reform, has been in place in the Institute of Public Administration for the year ended 31 December 2020 and up to the date of approval of the financial statements.

**Capacity to Handle Risk**

The Institute has an Audit and Risk Committee (ARC) comprising five Board members and including members with financial and audit expertise. The ARC met five times in 2020. The Institute has also established an internal audit function, which is adequately resourced and conducts a programme of work agreed with the ARC.

The ARC has developed and approved a risk management policy, which sets out the risk appetite, the risk management processes in place, and details the roles and responsibilities of staff in relation to risk. This policy was informed by findings of a previous Internal Audit report and findings regarding the Institute's risk management framework. The policy was circulated to all staff who are expected to work within The Institute of Public Administration's risk management policies, to alert management on emerging risks and control weaknesses and assume responsibility for risks and controls within their own area of work. The Director of Finance and Corporate Services is the appointed Chief Risk Officer.

**Risk and Control Framework**

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

A risk register is in place, which identifies the key risks facing the Institute, and these have been identified, evaluated and graded according to their significance. The register is a standing Board and ARC agenda item and is reviewed at each meeting. The outcome of these assessments is used to plan and allocate resources to ensure risks are managed to an acceptable level. The risk register details the controls and actions needed to mitigate risks and responsibility for operation of controls assigned to specific staff. The Board confirms that a control environment containing the following elements is in place:

- Procedures for key business processes have been documented. The ARC oversees the inclusion of policy reviews in individual internal audits included in the strategic internal audit plan.
- Financial responsibilities have been assigned at management level with corresponding accountability.
- There is an appropriate budgeting system with an annual budget which is kept under review by senior management.
- The information and communication technology systems have been reviewed and strengthened. There are systems in place to safeguard the assets of the IPA
- Specific risk reporting mechanisms were implemented as part of the IPA's Covid 19 Response and this was a standing item on each Board agenda throughout 2020.

**STATEMENT ON INTERNAL CONTROL**  
**For the year ended 31 December 2020**

**Ongoing Monitoring and Review**

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

- Key risks and related controls have been identified and processes have been put in place to monitor the operation of those key controls and report any identified deficiencies.
- Reporting arrangements have been established at all levels where responsibility for financial management has been assigned.
- There are regular reviews by senior management of periodic and annual performance and financial reports which indicate performance against budgets/forecasts.
- Enhanced reporting procedures were implemented as part of the Covid 19 Response plan including Health and Safety arrangements, Cyber Security and financial forecasting.

**Procurement**

The Board confirms that the Institute is investing in enhancing its procurement procedures to not only ensure compliance with current procurement rules and guidelines, but to support best practice procurement that will deliver on increased value for money. Matters arising regarding controls over procurement are highlighted under internal control issues below.

While the Covid 19 Pandemic and associated remote working had a negative impact on the procurement project timelines, the Board and the ARC continued to oversee the implementation of the Procurement project and are satisfied that progress continues to be made.

**Review of Effectiveness**

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

The Board can confirm that it undertook the annual review of the effectiveness of the system of internal controls for 2020 and the output was assessed at the ARC's meeting of the 12<sup>th</sup> March 2021 and at the subsequent Board meeting on the 25<sup>th</sup> March 2021. This was supported by a report to the ARC on assurance arrangements and the review of the effectiveness of the system of internal control.

**Internal Control Issues**

Non-Compliant Procurement

The Board confirms that the Institute has procedures in place to ensure compliance with current procurement rules and guidelines. The Audit of the 2020 Financial Statements identified non-compliant procurement expenditure to the value of €196k which includes:

- A facilities management contract of €43k which was rolled over. Tendering for this contract is underway
- Staff recruitment agency costs of €34k.
- Book purchasing costs of €119k. Tendering for this contract is underway.

The Board is taking action to ensure full compliance with procurement rules which includes:

- Implementation of recommendations from an internal audit review of procurement procedures and

**STATEMENT ON INTERNAL CONTROL**  
**For the year ended 31 December 2020**

compliance – Q4 2018.

- The designation of the Director of Finance and Corporate Services as Chief Procurement Officer.
- Approval of outsourcing procurement expertise and supports and the initiation of competitive procurement processes in relation to key contracts. The procurement expertise to support the IPA in creating a fit for purpose and adequately resourced procurement function, were procured through the OGP Framework for Procurement Services in Q1 2019 and the contract commenced in June 2019.

The Board is satisfied that the steps being taken will bring the IPA into compliance with public procurement regulation and support the IPA in developing a procurement function which will achieve the most economically advantageous expenditure solutions.

The onset of the COVID-19 pandemic in early 2020, and the resulting public health advice and safety measures, rapidly and fundamentally changed the working practices of the IPA with remote and virtual working becoming the norm for most IPA staff.

The IPA has monitored the developments closely, looking to mitigate the risks that may affect the IPA's business operations, staff and stakeholders. Actions taken by the IPA includes: -

- Initiation of The IPA's Business as Usual model and transition of the IPA's business operations to a remote working environment where most business processes can continue as normal.
- Continual assessment of significant risks pertaining to the COVID-19 pandemic and the agility of the IPA to respond effectively.
- Ensuring robust segregation of duties remains and adequate cover is in place should specific approving authorities be unavailable.
- Ensuring all existing data protection and records management policies and procedures continue to apply in the remote working environment and are monitored and reported on as normal.
- Ensuring that staff members access the IPA's network using the IPA's approved ICT equipment and that all staff members working remotely have been equipped with the necessary ICT equipment.
- Assessing on an ongoing basis the potential for weaknesses in internal controls resulting from COVID-19 and taking measures to monitor and update internal controls where necessary.

On behalf of the Board



Dr Fergal Lynch  
Chairperson



Dr Marian O'Sullivan  
Director General

Date: 19 November 2021

Date: 19 November 2021



## Ard Reachtaire Cuntas agus Ciste Comptroller and Auditor General

### Report for presentation to the Houses of the Oireachtas

#### Institute of Public Administration (CLG)

##### Opinion on the financial statements

I have audited the financial statements of the Institute of Public Administration (CLG) for the year ended 31 December 2020 as required under the provisions of section 5 of the Comptroller and Auditor General (Amendment) Act 1993. The financial statements comprise the statement of income and expenditure, the statement of comprehensive income, the statement of changes in equity, the statement of financial position, the statement of cash flows and the related notes, including a summary of significant accounting policies.

In my opinion, the financial statements

- give a true and fair view of the assets, liabilities and financial position of the company at 31 December 2020 and of its income and expenditure for 2020
- have been properly prepared in accordance with Financial Reporting Standard (FRS) 102 — *The Financial Reporting Standard applicable in the UK and the Republic of Ireland*, and
- have been properly prepared in accordance with the Companies Act 2014.

##### Basis of opinion

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

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

##### Conclusions related to going concern

The directors have prepared the financial statements on a going concern basis. As described in the appendix to this report, I conclude on

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

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

I have nothing to report in that regard.

##### Opinion on matters prescribed by the Companies Act 2014

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

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

I have obtained all the information and explanations that I consider necessary for the purposes of my audit.

In my opinion, the accounting records of the company were sufficient to permit the financial statements to be readily and properly audited, and the financial statements are in agreement with the accounting records.

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

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

**REPORT OF THE COMPTROLLER AND AUDITOR GENERAL**  
**For the Year ended 31 December 2020**

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

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

I have nothing to report in that regard.



**Mark Brady**

**For and on behalf of the**  
**Comptroller and Auditor General**  
**23 November 2021**



REPORT OF THE COMPTROLLER AND AUDITOR GENERAL  
For the Year ended 31 December 2020

Appendix to the report

Responsibilities of the Directors

As detailed in the directors' report, the directors are responsible for

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

Responsibilities of the Comptroller and Auditor General

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

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

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

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

- I conclude on the appropriateness of the use of the going concern basis of accounting and, based on the audit evidence obtained, on whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my report. However, future events or conditions may cause the company to cease being a going concern.
- I evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Information other than the financial statements

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

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

Reporting on other matters

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

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


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

**STATEMENT OF INCOME AND EXPENDITURE**  
**For the year ended 31 December 2020**

	Notes	2020	2019
		€	€
<b>Income</b>			
Fee Income	2	8,533,239	10,195,611
Sale of Publications	3	304,239	324,740
Subscriptions		328,065	247,156
Oireachtas Grant	4	2,629,000	2,629,000
Amortisation of Capital Grant	14	64,022	149,823
		<u>11,858,565</u>	<u>13,546,330</u>
<b>Operating Expenditure</b>			
Direct Costs	6	1,726,529	3,134,102
Salary Costs	7(b)	6,645,832	6,139,384
Administration Expenses	8	1,802,593	2,294,960
Interest Payable and Similar Charges		13,745	15,043
Retirement Benefit Cost	19(b)	1,378,683	1,368,440
		<u>11,567,382</u>	<u>12,951,929</u>
<b>Operating (Deficit)/Surplus for the Year</b>		<u><b>291,183</b></u>	<u><b>594,401</b></u>

All income and expenditure for the year relates to continuing activities at the reporting date. The Statement of Cash Flows and notes 1 to 21 form part of these Financial Statements.

**On behalf of the Board**



**Dr Fergal Lynch**  
**Chairperson**



**Mr. Pat Naughton**  
**Director**

**Date: 19 November 2021**

**Date: 19 November 2021**

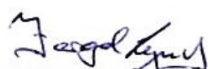
**THE INSTITUTE OF PUBLIC ADMINISTRATION**  
**(Company Limited by Guarantee)**

**STATEMENT OF COMPREHENSIVE INCOME**  
**For the year ended 31 December 2020**

	<b>2020</b>	<b>2019</b>
	<b>€</b>	<b>€</b>
(Deficit)/Surplus after Exchequer Contribution	291,183	594,401
Experience Gain/(Loss) on Retirement Benefit Obligations	(643,000)	(7,000)
Change in Assumptions Underlying the Present Value of Retirement Benefit Obligations	(4,845,000)	(5,688,000)
<b>Total Actuarial Gain/(Loss) in the Year</b>	<b><u>(5,488,000)</u></b>	<b><u>(5,695,000)</u></b>
Adjustment to Retirement Benefit Funding	5,488,000	5,695,000
<b>Total Comprehensive (Loss)/Income</b>	<b><u>291,183</u></b>	<b><u>594,401</u></b>

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

**On behalf of the Board**



**Dr Fergal Lynch**  
**Chairman**



**Mr. Pat Naughton**  
**Director**

**Date: 19 November 2021**

**Date: 19 November 2021**

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

**STATEMENT OF CHANGES IN EQUITY**  
For the year ended 31 December 2020

**IN RESPECT OF CURRENT YEAR**

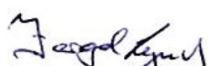
	Capital Reserve	Revenue Reserve	Accumulated Surplus on Income and Expenditure	Capital Grants	Total
	€	€	€	€	€
<b>At 1 January 2020</b>	<b>9,890,857</b>	<b>1,870,691</b>	<b>2,198,764</b>	<b>64,022</b>	<b>14,024,334</b>
Transfer to Capital Reserves	271,494	(271,494)	-	-	-
Amortisation of Capital Grant	-	-	-	(64,022)	(64,022)
Surplus on Statement of Income and Expenditure	-	-	291,183	-	291,183
<b>At 31 December 2020</b>	<b>10,162,351</b>	<b>1,599,197</b>	<b>2,489,947</b>	<b>-</b>	<b>14,251,495</b>

**IN RESPECT OF PRIOR YEAR**

	Capital Reserve	Revenue Reserve	Accumulated Surplus on Income and Expenditure	Capital Grants	Total
	€	€	€	€	€
<b>At 1 January 2019</b>	<b>9,620,822</b>	<b>2,140,726</b>	<b>1,604,363</b>	<b>213,845</b>	<b>13,579,756</b>
Transfer to Capital Reserves	270,035	(270,035)	-	-	-
Amortisation of Capital Grant	-	-	-	(149,823)	(149,823)
Surplus on Statement of Income and Expenditure	-	-	594,401	-	594,401
<b>At 31 December 2019</b>	<b>9,890,857</b>	<b>1,870,691</b>	<b>2,198,764</b>	<b>64,022</b>	<b>14,024,334</b>

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

**On behalf of the Board**



**Dr Fergal Lynch**  
Chairperson

**Date: 19 November 2021**



**Mr. Pat Naughton**  
Director

**Date: 19 November 2021**

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

**STATEMENT OF FINANCIAL POSITION**  
**For the year ended 31 December 2020**

	Notes	2020 €	2019 €
<b>Non-Current Assets</b>			
Property, Plant & Equipment	10	13,109,349	13,578,727
<b>Current Assets</b>			
Inventory	9	115,473	97,087
Receivables	11	2,565,755	1,638,741
Cash and Cash Equivalents		6,803,976	6,147,978
		<u>9,485,204</u>	<u>7,883,806</u>
<b>Payables</b>			
Amounts Falling Due within One Year	12	<u>(7,015,356)</u>	<u>(5,837,543)</u>
<b>Net Current Assets</b>		<u>2,469,848</u>	<u>2,046,263</u>
Total Assets Less Current Liabilities		15,579,197	15,624,990
<b>Payables</b>			
Amounts Falling Due after One Year	13	<u>(1,327,703)</u>	<u>(1,600,656)</u>
Total Assets Less Liabilities		14,251,494	14,024,334
Long-Term Retirement Benefit Obligation	19(a)	(71,921,000)	(67,069,000)
Deferred Retirement Benefit Asset	19(a)	71,921,000	67,069,000
<b>Net Assets</b>		<u><b>14,251,494</b></u>	<u><b>14,024,334</b></u>
<b>Representing</b>			
Capital and Revenue Reserves		11,761,548	11,761,548
Accumulated Surplus on Income & Expenditure Account		2,489,946	2,198,764
Capital Grants	14	-	64,022
		<u><b>14,251,494</b></u>	<u><b>14,024,334</b></u>

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

**On behalf of the Board**



**Dr Fergal Lynch**  
**Chairperson**

**Date: 19 November 2021**



**Mr. Pat Naughton**  
**Director**

**Date: 19 November 2021**

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

**STATEMENT OF CASH FLOWS**  
**For the year ended 31 December 2020**

	2020	2019
	€	€
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Operating (Deficit)/Surplus after Exchequer Contribution	291,183	594,401
Adjustments for:		
Interest Payable	11,585	12,989
Depreciation	655,763	652,616
Loss on disposal of Fixed Assets	1,093	-
Amortisation of Grants	(64,022)	(149,823)
Decrease/(Increase) in Inventories	(18,386)	10,234
(Increase)/Decrease in Receivables	(927,015)	(94,321)
Increase /(Decrease) in Payables	1,176,354	599,421
<b>Net Cash Flows From Operating Activities</b>	<b>1,126,555</b>	<b>1,625,517</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Payments for Property, Plant and Equipment	(187,478)	(23,990)
<b>Net Cash Flows From Investing Activities</b>	<b>939,077</b>	<b>1,601,527</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Interest Paid	(11,585)	(12,989)
Decrease in 20-Year Mortgage Facility	(271,494)	(270,035)
<b>Net Cash Flows from Financing Activities</b>	<b>(283,079)</b>	<b>(283,024)</b>
<b>Net Increase in Cash and Cash Equivalents</b>	<b>655,998</b>	<b>1,318,503</b>

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

## **1. ACCOUNTING POLICIES**

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

### **(a) General Information**

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

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

### **(b) Statement of Compliance**

The Financial Statements of the Institute of Public Administration for the year ended 31 December 2020 have been prepared in accordance with FRS 102, 'The Financial Reporting Standard Applicable in the UK and Ireland', issued by the Financial Reporting Council, as promulgated by Chartered Accountants Ireland.

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

### **(c) Basis of Preparation**

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

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

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

#### **(ii) Oireachtas Grant**

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

#### **(iii) Capital Grants**

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

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

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

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

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

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

**(v) Inventory**

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

**(vi) Receivables**

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

**(vii) Retirement Benefit Costs**

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

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

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

The retirement benefit charge in the Statement of Income and Expenditure comprises the Institute's contribution payable to the Department of Public Expenditure and Reform from the date of transfer in line with the funding arrangements. The Institute does not make an employer pension contribution in respect of Single Scheme staff as confirmed by the DPER.

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

**(viii) Taxation**

The company is entitled to exemption from taxation under the Taxes Consolidation Act, 1997. The Charity Registration Number is CHY 5401 and the Charities Regulation Number is 2008031. Accordingly, no taxation charge has been included in the Financial Statements for the year ended 31 December 2020.



**(ix) Cash and Cash Equivalents**

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

**(x) Loans and Borrowings**

The Company obtained a €5 million, 20-year loan secured by mortgage on its Lansdowne Road premises (there are 7 years remaining). The interest rate charged is Euribor + 0.5%. As required by FRS 102, the loan value and interest expense are recognised using the effective interest rate method.

**(xi) Other Financial Liabilities**

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

**(xii) Capital and Reserves**

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

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

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

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

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

**(xiv) Going Concern**

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

**(xv) Impairment of Trade Receivables**

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

**(xvi) Impairment of Inventory**

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

**(xvii) Useful Lives of Property, Plant and Equipment**

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

## 2. FEE INCOME

	2020 €	2019 €
Training	3,683,479	4,220,312
Education	4,405,610	5,649,813
Research	444,150	325,486
	<u>8,533,239</u>	<u>10,195,611</u>

## 3. SALE OF PUBLICATIONS

	2020 €	2019 €
Income from IPA Publications	<u>304,239</u>	<u>324,740</u>

## 4. OIREACHTAS GRANT

An amount of €2,725,000 (2019: €2,725,000) was received from the Department of Public Expenditure and Reform, of which €96,000 was accounted for in Subscriptions and €2,629,000 is the grant. The grant is provided by the Department of Public Expenditure and Reform (Vote No. 11, Subhead B.3) towards liabilities under general non-pay expenses and is drawn down by the Institute on an annual basis.

## 5. OPERATING SURPLUS

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

### (a) Directors' Emoluments

The members of the IPA Board do not receive fees. While Board members do not travel on official business as members of the Institute, they are entitled to claim travel and subsistence for their attendance at Board and subcommittee meetings. For 2020, no expenses were claimed by a Board member.

### (b) Remuneration of Key Management Personnel

#### Director General

	Director General 2020 (€)	Director General 2019 (€)
Salary	160,524	152,247
Employer's PRSI	16,234	15,304
Pension Contribution	55,541	52,678
Travel and Subsistence	-	5,847

#### Senior Management Group (SMG)

The SMG consists of the Assistant Director General, the Director of Finance and Corporate Services, the Director of HR and Company Secretary, the Directors of Training and Consultancy and the Director of Research, Publishing and Corporate Relations.

	SMG 2020 (€)	SMG 2019 (€)
Salary	640,709	690,385
Allowances	-	-
Termination Benefits	-	-
Health Insurance	-	-

(c) Auditor's Remuneration	25,400	23,100
(d) Depreciation (Net of Disposals)	655,763	652,616
(e) Interest Payable on Sums Repayable Over a Period Greater than Five Years	11,585	12,989
(f) Capital Grant Amortised	(64,022)	(149,823)

## 6. ANALYSIS OF DIRECT COSTS

	2020 €	2019 €
Training	602,716	1,181,178
Education	911,216	1,683,193
Publications	157,304	189,876
Research	40,003	52,809
General	15,290	27,046
	<u>1,726,529</u>	<u>3,134,102</u>

## 7. EMPLOYEE INFORMATION

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

	2020	2019
Training	26	23
Education	28	28
Publications	5	5
Research	4	4
General	23	23
	<u>86</u>	<u>83</u>

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

	2020 €	2019 €
Wages and Salaries	5,110,250	4,686,104
Associate Staff	833,616	800,156
Social Insurance Costs	629,938	585,173
Income Continuance Plan	72,028	67,951
	<u>6,645,832</u>	<u>6,139,384</u>

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

€203,089 (2019 €217,283) of ASC (pension related deduction) has been deducted and paid over to the Department of Public Expenditure and Reform.

As a result of the IPA's redeployment of staff during 2012, there are a number of staff on secondment. As the seconded salary amounts are fully recouped, the salary figures presented exclude seconded amounts of €125,133 (2019: €166,933).

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

## 8. ANALYSIS OF ADMINISTRATION EXPENSES

	2020	2019
	€	€
Repairs, Cleaning and Maintenance	398,860	673,969
Depreciation	655,763	652,616
(Profit)/Loss on Disposals	1,093	-
Stationery and Photocopying	92,072	161,194
Light, Heat and Phone	111,180	129,460
Postage	87,374	77,884
Insurance	45,046	42,920
Corporate Affairs	174,877	235,912
Staff Development	36,386	109,856
General	199,942	211,149
	<u>1,802,593</u>	<u>2,294,960</u>

## 9. INVENTORY

	2020	2019
	€	€
Stationery and Books	<u>115,473</u>	<u>97,087</u>
There are no inventories pledged as security		

## 10. Property, Plant & Equipment

### IN RESPECT OF CURRENT YEAR

	Land & Buildings <sup>(a)</sup>	Office Machines	Furniture, Fittings, Equipment & Library Books	Total
	€	€	€	€
<b>COST</b>				
At 1 January 2020	20,607,256	1,665,163	2,470,204	24,742,623
Additions	-	-	187,478	187,478
Disposals	-	(2,362)	(1,063)	(3,425)
At 31 December 2020	20,607,256	1,662,801	2,656,619	24,926,676
<b>DEPRECIATION</b>				
At 1 January 2020	7,401,829	1,636,148	2,125,919	11,163,896
Charge for the Year	410,364	7,302	238,097	655,763
Disposals	-	(1,536)	(796)	(2,332)
At 31 December 2020	7,812,193	1,641,914	2,363,220	11,817,327
<b>NET BOOK VALUE</b>				
At 31 December 2020	<b>12,795,063</b>	<b>20,887</b>	<b>293,399</b>	<b>13,109,349</b>
At 1 January 2020	<b>13,205,427</b>	<b>29,015</b>	<b>344,285</b>	<b>13,578,727</b>

### IN RESPECT OF PRIOR YEAR

	Land & Buildings <sup>(a)</sup>	Office Machines	Furniture, Fittings, Equipment & Library Books	Total
	€	€	€	€
<b>COST</b>				
At 1 January 2019	20,607,256	1,665,163	2,446,214	24,718,633
Additions	-	-	23,990	23,990
Disposals	-	-	-	-
At 31 December 2019	20,607,256	1,665,163	2,470,204	24,742,623
<b>DEPRECIATION</b>				
At 1 January 2019	6,991,464	1,628,728	1,891,088	10,511,280
Charge for the Year	410,365	7,420	234,831	652,616
Disposals	-	-	-	-
At 31 December 2019	7,401,829	1,636,148	2,125,919	11,163,896
<b>NET BOOK VALUE</b>				
At 31 December 2019	<b>13,205,427</b>	<b>29,015</b>	<b>344,285</b>	<b>13,578,727</b>
At 1 January 2019	<b>13,615,792</b>	<b>36,435</b>	<b>555,126</b>	<b>14,207,353</b>

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

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

57–61 Lansdowne Road	Freehold
49–51 Lansdowne Road	Freehold
55 Lansdowne Road	Freehold
Vergemount Hall, Clonskeagh	License with OPW by Way of Peppercorn Rent

**11. RECEIVABLES**

	<b>2020</b>	<b>2019</b>
	<b>€</b>	<b>€</b>
Trade Receivables	2,442,309	1,592,003
Exchequer Pensions (note 19c)	92,348	-
Prepayments & Other Receivables	31,098	46,738
	<u>2,565,755</u>	<u>1,638,741</u>

Trade receivables are net of a provision for doubtful debts of €24,400 (2019: €24,400)

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

	<b>2020</b>	<b>2019</b>
	<b>€</b>	<b>€</b>
Bank Loans	271,494	270,035
Trade Payables	407,671	459,892
Deferred Fee Income	5,359,935	4,443,206
Sundry Payables and Accruals	685,640	420,879
PAYE/PRSI	290,616	243,531
	<u>7,015,356</u>	<u>5,837,543</u>

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

	<b>2020</b>	<b>2019</b>
	<b>€</b>	<b>€</b>
€5m 20-Year Variable Rate Facility	<u>1,327,703</u>	<u>1,600,656</u>

The loan is repayable in instalments over a 20-year period. There are 7 years left on the repayment period. It is subject to a variable interest rate based on Euribor + 0.5%. The weighted average interest rate during the financial year was 0.65% (2019: 0.65%). The bank holds the deeds to No. 55 Lansdowne Road as security on this facility.

**13a BANK LOANS**

Analysis of the maturity of loans is given below:

	<b>2020</b>	<b>2019</b>
	<b>€</b>	<b>€</b>
Within 1 Year	271,494	270,035
Within 2–5 Years	814,482	810,105
After More than 5 Years	513,221	790,551
	<u>1,599,197</u>	<u>1,870,691</u>

**14. CAPITAL GRANTS**

	<b>2020</b>	<b>2019</b>
	<b>€</b>	<b>€</b>
At 1 January	64,022	213,845
Amount Amortised in the Year	<u>(64,022)</u>	<u>(149,823)</u>
At 31 December	<u>-</u>	<u>64,022</u>

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

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

	2020 €	2019 €
Increase in Cash	655,998	1,318,503
Decrease in 20-Year Mortgage Facility	271,494	270,035
Movement in Net Debt During The Year	927,492	1,588,538
Net Debt at 1 January	4,277,287	2,688,749
Net Debt at 31 December	5,204,779	4,277,287

### Analysis in Changes of Net Debt

	At 31 December 2019 €	Cash Flows €	At 31 December 2020 €
Cash and Cash Equivalents	6,147,978	655,998	6,803,976
20-Year Mortgage Facility	(1,870,691)	271,494	(1,599,197)
Total	4,277,287	927,492	5,204,779

## 16. SUBSEQUENT EVENTS

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

## 17. CAPITAL COMMITMENTS

There were no capital commitments at the year-end.

## 18. CONTINGENT LIABILITY

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

## 19. RETIREMENT BENEFITS

### (a) Retirement Benefit Obligation and Asset

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

The retirement benefit obligation at 31 December 2020 was €71,921,000 (2019: €67,069,000) based on an actuarial valuation of the retirement benefit obligations in respect of Institute staff as at 31 December 2020 carried out by a qualified independent actuary for the purposes of FRS 102. A deferred funding asset of €71,921,000 equal to the liability at 31 December 2020 is recognised as a separate asset on the Statement of Financial Position. The actuarial review for FRS102 disclosures was completed for the purposes of the 2020 Financial Statements.

**Movement in Retirement Benefit Obligation**

	<b>2020</b>	<b>2019</b>
	<b>€'000</b>	<b>€'000</b>
Present Value of Scheme Obligations at 1 January	67,069	60,865
Current Service Cost	1,111	1,152
Plan Participant Contributions	56	55
Interest Cost	727	1,082
Actuarial Loss/(Gain)	4,987	5,695
Benefits Paid	(1,902)	(1,655)
Expenses Paid	(127)	(125)
Present Value of Scheme Obligations at 31 December	<u>71,921</u>	<u>67,069</u>
Retirement Benefit Asset at 31 December	<u>71,921</u>	<u>67,069</u>

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

	<b>2020</b>	<b>2019</b>
	<b>€'000</b>	<b>€'000</b>
Employer's Pension Contributions Remitted to the Exchequer	1,379	1,368
Current Service Cost	1,167	1,207
Interest Cost	727	1,082
Adjustment to Deferred Exchequer Pension Funding	(1,894)	(2,289)
<b>Total charged to Statement of Income and Expenditure</b>	<b><u>1,379</u></b>	<b><u>1,368</u></b>

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

In accordance with the arrangements set out in Note 19a, the Institute is required to make an annual contribution to the Exchequer in respect of retirement benefits. The contribution is set at 34.6% of the Institute's payroll charge and comprises the Institute's contribution of €1.3m (2019: €1.3m) and employee contributions of €90,436 (2019: €87,805). The Institute makes retirement benefit and related payments on behalf of the Exchequer and the amount payable to the Exchequer is calculated after taking account of such payments. Amounts payable to the Exchequer are set out below:

	<b>2020 (€)</b>	<b>2019 (€)</b>
Balance at 1 January	-	(127,503)
IPA Contributions (Excl. Seconded)	1,348,817	1,328,563
IPA Seconded Staff	<u>29,866</u>	<u>39,877</u>
Total Institute Contributions <sup>(i)</sup>	1,378,683	1,368,440
Employee Contributions	90,436	87,805
Retirement Benefit and Related Payments	(2,029,268)	(1,780,454)
Refund from/(Payments to) Exchequer	467,800	451,712
Balance at 31 December	<u>(92,349)</u>	<u>-</u>

Note (i): As a result of the IPA's redeployment of staff in 2012, there are a number of staff on secondment. The IPA makes the necessary pension contribution to the Exchequer on their behalf of €29,866 (2019: €39,877).



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

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

The financial assumptions used for FRS 102 purposes were:

	<b>2020</b>	<b>2019</b>
Rate of Increase in Salaries	2.40%	2.40%
Rate of Increase in Retirement Benefits in Payment	2.40%	2.40%
Rate of Increase in Retirement Benefits in Deferment	2.40%	2.40%
Discount Rate	0.71%	1.10%
Inflation	1.40%	1.40%

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:

	<b>2020</b>	<b>2019</b>
Male Member Age 65 (Current Life Expectancy)	21.5	21.5
Female Member Age 65 (Current Life Expectancy)	24.0	24.0
Male Member Age 45 (Life Expectancy at Age 65)	23.9	23.9
Female Member Age 45 (Life Expectancy at Age 65)	26.0	26.0

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

**(e) Funding of Retirement Benefits**

The IPA expects to contribute €1.3m to the Exchequer in 2021.

**20. RELATED PARTY INTERESTS**

The Board adopted procedures in accordance with the revised *Code of Practice for the Governance of State Bodies* (2016) in relation to the disclosure of interests by Board members, and those procedures have been adhered to in the year. There were no transactions in the year in relation to the Board's activities in which members had any beneficial interest. Key management remuneration has been disclosed in note 5 of the financial statements. There are no other related party transactions as defined by Section 33 of FRS 102.

**21. APPROVAL OF FINANCIAL STATEMENTS**

The Board of Directors of the Institute approved these financial statements and authorised them for issue, subject to no material change on 19 November 2021.