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

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2018**

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THE INSTITUTE OF PUBLIC ADMINISTRATION
(Company Limited by Guarantee)

DIRECTORS AND OTHER INFORMATION
For the year ended 31 December 2018

DIRECTORS

Martin O'Halloran (Chair)
Marian O'Sullivan (Director General)
Elizabeth Adams (Retired September 2018)
Raymond Dolan
Lucy Fallon-Byrne
Pat Gallagher
Carolyn Gormley
Connie Kelleher (Retired September 2018)
Paul Lemass
Fergal Lynch
Stephen Mulvany
Pat Naughton
Siobhan O'Halloran

SECRETARY & REGISTERED OFFICE

Katherina McCaul
59 Lansdowne Road
Dublin 4

AUDITORS

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

PRINCIPAL BANKERS

Allied Irish Bank
52 Upper Baginbode Street
Dublin 4

KBC Bank
Sandwith Street
Dublin 2

SOLICITORS

Eversheds
Earlsfort Terrace
Dublin 2

COMPANIES REGISTRATION OFFICE NUMBER

21087

REGISTERED CHARITY NUMBER

20008031

CHY (REVENUE) NUMBER

5401

THE INSTITUTE OF PUBLIC ADMINISTRATION
(Company Limited by Guarantee)

GOVERNANCE STATEMENT AND DIRECTORS' REPORT
For the year ended 31 December 2018

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 2018 was as follows:

- Mr Martin O'Halloran (Chair), retired CEO, Health and Safety Authority
- Dr Marian O'Sullivan, Director General, IPA
- Dr Fergal Lynch, Secretary General, Department of Children and Youth Affairs
- Mr Stephen Mulvany, Chief Financial Officer, Health Service Executive
- Ms Elizabeth Adams, Director of Professional Development, Irish Nurses & Midwives Organisation (INMO) (Retired September 2018)
- Ms Carolyn Gormley, IPA Staff Representative
- Mr Pat Naughton, Executive Director, Group People and Sustainability, ESB
- Dr Pat Gallagher, Chief Executive, Westmeath County Council
- Dr Lucy Fallon-Byrne, Assistant Secretary, Department of Public Expenditure and Reform
- Mr Ray Dolan, CEO, Safefood Ireland
- Mr Connie Kelleher, Student Representative (Retired September 2018)
- Mr Paul Lemass, Assistant Secretary, Department of the Environment, Community & Local Government
- Dr Siobhan O'Halloran, Chief Nursing Officer, Department of Health

The IPA Senior Management Team

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

The members of the SMG are

- Dr Marian O'Sullivan, Director General
- Dr Michael Mulreany, Assistant Director General, Registrar and Head of the Whitaker School of Government and Management
- Ms Teresa Casserly, Director, Training & Development and International Services
- Mr Aidan Horan, Director, Training & Development and Consultancy Services
- Dr Richard Boyle, Head of Research, Publishing and Corporate Relations
- Ms Noreen Fahy, Director of Finance & Corporate Services (appointed November 2018)
- Ms Katherina McCaul, Director of Human Resources (appointed December 2018)
- Ms Christine McNally, Human Resources Manager (January 2018 to April 2018)
- Mr Joseph O'Malley, acting Finance Director (January 2018 to September 2018)

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 Annual Report, Annual Budget and Corporate Business Plan;
- Approval of the 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 2016 *Code of Practice for the Governance of State Bodies*.

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

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

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

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

The Board considers the annual financial statements 2018 give a true and fair view of the financial performance and the financial position of the Institute at 31 December 2018.

BOARD STRUCTURE

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

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

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

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

The Board has established three committees, as follows:

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

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

Mr Ray Dolan (Chair), Dr Fergal Lynch, Mr Pat Naughton, Ms Elizabeth Adams (retired September 2018), Dr Siobhan O'Halloran, Mr Paul Lemass.

2. **The Administration Committee:** comprises of four Board members. The role of the Administration Committee is to assist the Board in considering management proposals concerning the provision, acquisition and disposal of property for the Institute and their financial implications; to approve the authorised staff complement of the Institute; to approve the creation of permanent, full-time and contract

posts; and to review the Director-General's reports on manpower issues, industrial relations and any other issues referred to it by the Director-General; and to ensure that best practices in personnel and management policies are carried out in the Institute. The members of this committee are:

Mr Martin O'Halloran, Ms Elizabeth Adams (Retired September 2018), Dr Pat Gallagher, Mr Ray Dolan.

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 management's accounts of the Institute from time to time. The members of this committee are:

Mr Martin O'Halloran (Chair), Ms Carolyn Gormley, Mr Stephen Mulvany, Dr Fergal Lynch, Dr Marian O'Sullivan.

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

Schedule of Board Members' Attendance, Fees* and Expenses

A schedule of attendance at the Board and Committee Meetings for 2018 is set below including the fees and expenses received by each member.

Board Member	Board meeting	Audit & Risk Committee	Finance & Strategy Committee	Administration Committee
Mr Martin O'Halloran	7 of 7		1 of 1	1 of 2
Ms Elizabeth Adams	5 of 5	3 of 3		1 of 1
Mr Ray Dolan	5 of 7	4 of 5		1 of 2
Dr Lucy Fallon-Byrne	5 of 7			
Dr Pat Gallagher	5 of 7			1 of 2
Ms Carolyn Gormley	7 of 7		1 of 1	
Mr Connie Kelleher	4 of 5			
Mr Paul Lemass	4 of 7	3 of 5		
Dr Fergal Lynch	7 of 7	3 of 5	1 of 1	
Mr Stephen Mulvany	6 of 7		1 of 1	
Mr Pat Naughton	4 of 7	4 of 5		
Dr Siobhan O'Halloran	5 of 7	2 of 5		
Dr Marian O'Sullivan	7 of 7		1 of 1	

Ref	Name	2018 Fees	2018 Expenses
1	Mr Martin O'Halloran	0	0
2	Ms Elizabeth Adams	0	0
3	Mr Ray Dolan	0	0
4	Dr Lucy Fallon-Byrne	0	0
5	Dr Pat Gallagher	0	0
6	Ms Carolyn Gormley	0	0
7	Mr Connie Kelleher	0	0
8	Mr Paul Lemass	0	0
9	Dr Fergal Lynch	0	0
10	Mr Stephen Mulvany	0	0
11	Mr Pat Naughton	0	0
12	Dr Siobhan O'Halloran	0	0
13	Dr Marian O'Sullivan	0	0

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

Key Personnel Changes

Cyril Sullivan, the Director of Finance and Support Services/ Company Secretary, resigned his post at the end of September 2017. The post was filled by an internal staff member on an acting basis from September 2017 to September 2018. Following a recruitment campaign, Ms Noreen Fahy was appointed as Director of Finance and Corporate Services and took up the position on the 19th November 2018.

Christine McNally, Head of Human Resources, retired from her position in April of 2018. Following a recruitment campaign, Katherina McCaul was appointed Director of Human Resources and Company Secretary. The Director General of the IPA oversaw the Human Resources function in the interim period.

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

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

Employee Short-Term benefits breakdown

Employees' short-term benefits in excess of €60,000 are disclosed 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.

SALARY BAND (€) 2018	STAFF NUMBER	SALARY BAND (€) 2017	STAFF NUMBER
60,000 – 69,999	1	60,000 – 69,999	-
70,000 – 79,999	1	70,000 – 79,999	3
80,000 – 89,999	13	80,000 – 89,999	22
90,000 – 99,999	9	90,000 – 99,999	1
100,000 – 109,999	3	100,000 – 109,999	2
110,000 – 119,999	-	110,000 – 119,999	-
120,000 – 129,999	-	120,000 – 129,999	-
130,000 – 139,999	-	130,000 – 139,999	1
140,000 – 149,999	1	140,000 – 149,999	1
150,000 – 159,999	1	150,000 – 159,999	-

Consultancy Costs

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

	2018	2017
	€	€
Legal Advice	18,384	11,103
Financial/actuarial advice	-	-
Public Relations/marketing	-	-
Human Resources	20,294	23,351
Business improvement	1,939	21,203
Other	-	-
Total consultancy costs	40,617	55,657

No consultancy costs have been capitalised.

Legal Costs and Settlement

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

	2018	2017
	€	€
Legal fees – legal proceedings	-	-
Conciliation and arbitration payments	-	-
Settlement	100,000	-
Total	100,000	-

Travel and Subsistence Expenditure

Travel and subsistence expenditure is categorised as follows:

	2018	2017
	€	€
Domestic		
• Board	-	-
• Employees	98,556	90,295
International		
• Board	-	-
• Employees	39,629	58,143
Total	138,185	148,438

Hospitality Expenditure

The Income and Expenditure Account includes the following hospitality expenditure:

	2018	2017
	€	€
Staff hospitality	4,267	26,638
Client hospitality	-	-
Total	4,267	26,638

Statement of Compliance

The IPA has substantially complied with the requirements of the *Code of Practice for Governance of State Bodies 2016* as published by the Department of Public Expenditure and Reform insofar as was possible due to the unique nature of the IPA. In Q4 2018, the Board oversaw the development of, and subsequently adopted, the IPA Governance Manual which is compliant with the *Code of Practice for the Governance of State Bodies 2016*. The Board of the IPA will continue to oversee the implementation of the IPA Governance Manual throughout 2019. Please refer to the Procurement section in the Statement of Internal control. The Board is satisfied with the level of compliance in relation to the *Code of Practice for Governance of State Bodies 2016* as at year end 31st December 2018, having due regard to the guidance issued by the Department of Public Expenditure and Reform issued in November 2017.

On behalf of the Board



Martin O'Halloran
Chairperson

Date: 18 September 2019

STATEMENT ON INTERNAL CONTROL
For the year ended 31 December 2018

Scope of Responsibility

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

Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a tolerable level rather than to eliminate it. The system can therefore only provide reasonable and not absolute assurance that assets are safeguarded, transactions authorised and properly recorded and that material errors or irregularities are either prevented, or detected in a timely way. The system of internal control, which accords with guidance issued by the Department of Public Expenditure and Reform, has been in place in the Institute of Public Administration for the year ended 31 December 2018 and up to the date of approval of the financial statements.

Capacity to Handle Risk

The Institute has an Audit and Risk Committee (ARC) comprising six Board members and including members with financial and audit expertise. The ARC met five times in 2018. The Institute has also established an internal audit function, which is adequately resourced and conducts a programme of work agreed with the ARC.

The ARC has developed a risk management policy, which sets out its risk appetite, the risk management processes in place, and details the roles and responsibilities of staff in relation to risk. This policy takes account of findings of a recent Internal Audit report and findings regarding the Institute's risk management framework.

In quarter 1 2018, 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.

In November 2018 the Director of Finance and Corporate Services was appointed as 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. Findings of an internal audit on IT General Controls, undertaken in 2017, were actioned during 2018.
- There are systems in place to safeguard the assets.

Ongoing Monitoring and Review

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

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

Procurement

The Board confirms that the Institute 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.

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 2018 and the output was assessed at the ARC's meeting of the 27th February 2019 and at the subsequent Board meeting on the 15 March 2019. 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 2018 Financial Statements identified non-compliant procurement expenditure to the value of €483k (2017:€527k) which includes:

- A facilities management contract of €207k, which was rolled over. Tendering for this contract is scheduled for Q4 of 2019.
- A strategic partnership for the delivery of accredited programmes €231k. A tender competition for this work was advertised in Q1 2019 and is now compliant.
- Staff recruitment agency costs of €8k.
- Fire alarm installation €37k.

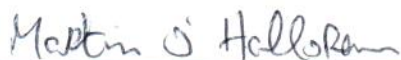
The Board is taking action to ensure full compliance with procurement rules which includes:

- An internal audit review of procurement procedures and compliance - Q4 2018.
- The designation of the Director of Finance and Corporate Services as Chief Procurement Officer, November 2018

Initiation of competitive procurement processes in relation to key contracts and contracting of specialist procurement consultancy services to support the IPA and the Chief Procurement Officer in creating a fit for purpose and adequately resourced procurement function. These services were procured through the OGP Framework for Procurement services in Q1 2019.

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

On behalf of the Board



Martin O'Halloran
Chairperson



Dr Marian O'Sullivan
Director General

Date: 18/09/2019

Date: 18-09-2019



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 financial statements

I have audited the financial statements of the Institute of Public Administration (CLG) for the year ending 31 December 2018 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 financial position, the statement of changes in equity, 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 2018 and of its income and expenditure for 2018
- have been properly prepared in accordance with Financial Reporting Standard (FRS) 102 — *The Financial Reporting Standard applicable in the UK and the Republic of Ireland*, and
- have been properly prepared in accordance with the Companies Act 2014.

Basis of opinion

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

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

Conclusions related to going concern

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

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

I have nothing to report in that regard.

Opinion on matters prescribed by the Companies Act 2014

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

- the information given in the 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.

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 report of the directors, the statement on internal control and the director's responsibility statement. 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.



Andrew Harkness

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

20 September 2019

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)

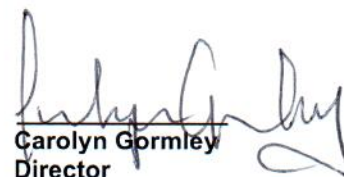
STATEMENT OF INCOME AND EXPENDITURE
For the year ended 31 December 2018

	Notes	2018	2017
		€	€
Income			
Fee Income	2	9,878,248	9,452,326
Sale of Publications	3	324,604	297,099
Subscriptions		281,333	254,936
Oireachtas Grant	4	2,629,000	2,629,000
Amortisation of Capital Grant	14	<u>149,823</u>	<u>149,823</u>
		13,263,008	12,783,184
Operating Expenditure			
Direct Costs	6	3,172,827	3,039,270
Salary Costs	7(b)	6,113,116	6,001,472
Administration Expenses	8	2,202,291	1,854,978
Interest Payable and Similar Charges		15,662	27,009
Retirement Benefit Cost	19(b)	<u>1,639,849</u>	<u>1,444,871</u>
		13,143,745	12,367,600
Operating (Deficit)/Surplus for the Year		<u>119,263</u>	<u>415,584</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


Martin O'Halloran
Chairperson


Carolyn Gormley
Director

Date: 18/09/2019

Date: 18/9/19

THE INSTITUTE OF PUBLIC ADMINISTRATION
(Company Limited by Guarantee)

STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2018

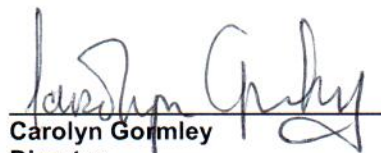
	2018	2017
	€	€
(Deficit)/Surplus after Exchequer Contribution	119,263	415,584
Experience Gain/(Loss) on Retirement Benefit Obligations	861,000	(1,771,000)
Change in Assumptions Underlying the Present Value of Retirement Benefit Obligations	1,560	8,000
Total Actuarial Gain/(Loss) in the Year	<u>862,560</u>	<u>(1,763,000)</u>
Adjustment to Retirement Benefit Funding	(862,560)	1,763,000
Total Comprehensive (Loss)/Income	<u>119,263</u>	<u>415,584</u>

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

On behalf of the Board



Martin O'Halloran
Chairman


Carolyn Gormley
Director

Date: 18/09/2019

Date: 18/09/19

THE INSTITUTE OF PUBLIC ADMINISTRATION
(Company Limited by Guarantee)

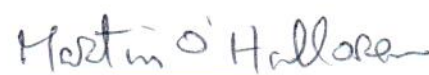
STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2018

IN RESPECT OF CURRENT YEAR					
	Capital Reserve	Revenue Reserve	Accumulated Surplus on Income and Expenditure	Capital Grants	Total
	€	€	€	€	€
At 1 January 2018	9,352,539	2,409,009	1,485,100	363,668	13,610,316
Transfer to Capital Reserves	268,283	(268,283)	-	-	-
Amortisation of Capital Grant	-	-	-	(149,823)	(149,823)
Surplus on Statement of Income and Expenditure	-	-	119,263	-	119,263
At 31 December 2018	9,620,822	2,140,726	1,604,363	213,845	13,579,756

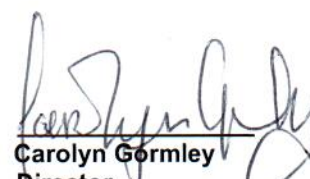
IN RESPECT OF PRIOR YEAR					
	Capital Reserve	Revenue Reserve	Accumulated Surplus on Income and Expenditure	Capital Grants	Total
	€	€	€	€	€
At 1 January 2017	9,086,032	2,675,516	1,069,516	513,491	13,344,555
Transfer to Capital Reserves	266,507	(266,507)	-	-	-
Amortisation of Capital Grant	-	-	-	(149,823)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

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

On behalf of the Board


Martin O'Halloran
Chairperson

Date: 18/09/2019


Carolyn Gormley
Director
Date: 18/09/19

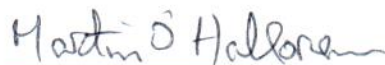
THE INSTITUTE OF PUBLIC ADMINISTRATION
(Company Limited by Guarantee)

STATEMENT OF FINANCIAL POSITION
For the year ended 31 December 2018

	Notes	2018 €	2017 €
Non-Current Assets			
Property, Plant & Equipment	10	14,207,353	14,704,425
Current Assets			
Inventory	9	107,321	88,006
Receivables	11	1,544,420	1,292,274
Cash and Cash Equivalents		4,829,475	4,686,612
		<u>6,481,216</u>	<u>6,066,892</u>
Payables			
Amounts Falling Due within One Year	12	<u>(5,236,370)</u>	<u>(5,018,501)</u>
Net Current Assets		<u>1,244,846</u>	<u>1,048,391</u>
Total Assets Less Current Liabilities		15,452,199	15,752,816
Payables			
Amounts Falling Due after One Year	13	<u>(1,872,443)</u>	<u>(2,142,500)</u>
Total Assets Less Liabilities		13,579,756	13,610,316
Long-Term Retirement Benefit Obligation	19(a)	(60,865,000)	(62,981,000)
Deferred Retirement Benefit Asset	19(a)	60,865,000	62,981,000
Net Assets		<u>13,579,756</u>	<u>13,610,316</u>
Representing			
Capital and Revenue Reserves		11,761,548	11,761,548
Accumulated Surplus on Income & Expenditure Account		1,604,363	1,485,100
Capital Grants	14	213,845	363,668
		<u>13,579,756</u>	<u>13,610,316</u>

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

On behalf of the Board



Martin O'Halloran
Chairperson

Date: 18/09/2019



Carolyn Gormley
Director

Date: 18/09/19

THE INSTITUTE OF PUBLIC ADMINISTRATION
(Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
For the year ended 31 December 2018

	2018	2017
	€	€
NET CASH FLOWS FROM OPERATING ACTIVITIES		
Operating (Deficit)/Surplus after Exchequer Contribution	119,263	415,584
Adjustments for:		
Interest Payable	14,768	27,009
Depreciation	674,285	677,089
Loss on disposal of Fixed Assets	2,692	-
Amortisation of Grants	(149,823)	(149,823)
Decrease/(Increase) in Inventories	(19,315)	(6,195)
(Increase)/Decrease in Receivables	(252,146)	429,475
Increase /(Decrease) in Payables	<u>217,869</u>	<u>662,875</u>
Net Cash Flows From Operating Activities	607,593	2,056,014
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for Property, Plant and Equipment	<u>(179,904)</u>	<u>(357,371)</u>
Net Cash Flows From Investing Activities	<u>427,689</u>	<u>1,698,643</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest Paid	(14,768)	(27,009)
Decrease in 20-Year Mortgage Facility	<u>(270,058)</u>	<u>(266,507)</u>
Net Cash Flows from Financing Activities	<u>(284,826)</u>	<u>(293,516)</u>
Net Increase in Cash and Cash Equivalents	<u>142,863</u>	<u>1,405,127</u>

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

1. ACCOUNTING POLICIES

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

(a) General Information

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

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

(b) Statement of Compliance

The Financial Statements of the Institute of Public Administration for the year ended 31 December 2018 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. The Institute awaits formal approval from DPER in this regard.

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 2018.

(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 8 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

	2018 €	2017 €
Training	4,550,674	3,864,005
Education	4,979,039	5,203,790
Research	348,535	384,531
	<u>9,878,248</u>	<u>9,452,326</u>

3. SALE OF PUBLICATIONS

	2018 €	2017 €
Income from IPA Publications	<u>324,604</u>	<u>297,099</u>

4. OIREACHTAS GRANT

An amount of €2,725,000 (2017: €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 2018, no expenses were claimed by a Board member.

(b) Remuneration of Key Management Personnel

Director General

	Director General 2018 (€)	Director General 2017 (€)
Salary	138,543	133,698
Employer's PRSI	13,798	13,108
Pension Contribution	47,936	46,260
Travel and Subsistence	5,935	7,082

Senior Management Group (SMG)

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

	SMG 2018 (€)	SMG 2017 (€)
Salary	596,316	634,833
Allowances	-	-
Termination Benefits	-	-
Health Insurance	-	-

THE INSTITUTE OF PUBLIC ADMINISTRATION
(Company Limited by Guarantee)

(c) Auditor's Remuneration	21,000	18,000
(d) Depreciation (Net of Disposals)	674,039	677,089
(e) Interest Payable on Sums Repayable Over a Period Greater than Five Years	14,768	27,009
(f) Capital Grant Amortised	(149,823)	(149,823)

6. ANALYSIS OF DIRECT COSTS

	2018	2017
	€	€
Training	1,194,883	1,065,021
Education	1,689,743	1,757,758
Publications	207,546	135,955
Research	66,193	58,530
General	14,462	22,007
	<u>3,172,827</u>	<u>3,039,270</u>

7. EMPLOYEE INFORMATION

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

	2018	2017
Training	27	26
Education	30	27
Publications	5	5
Research	3	4
General	22	22
	<u>87</u>	<u>84</u>

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

	2018	2017
	€	€
Wages and Salaries	4,704,737	4,531,985
Associate Staff	768,547	839,429
Social Insurance Costs	575,727	565,953
Income Continuance Plan	64,105	64,105
	<u>6,113,116</u>	<u>6,001,472</u>

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

€258,090 (2017 €245,228) of pension related deduction has been deducted and paid over to the Department of Public Expenditure and Reform.

As a result of the IPA's redeployment of staff during 2012, there are a number of staff on secondment. As the seconded salary amounts are fully recouped, the salary figures presented exclude seconded amounts of €297,846 (2017: €306,323).

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

- (c) Included in the Wage and Salaries charge of €4.7m is an amount of €63,050 (inclusive of interest and penalties of €8,974) being a settlement with the Revenue Commissioners in respect of the underpayment of USC and PAYE.

8. ANALYSIS OF ADMINISTRATION EXPENSES

	2018	2017
	€	€
Repairs, Cleaning and Maintenance	570,009	329,642
Depreciation	674,285	677,089
(Profit)/Loss on Disposals	2,692	-
Stationery and Photocopying	169,576	167,757
Light, Heat and Phone	141,534	145,879
Postage	77,880	70,026
Insurance	36,408	27,951
Corporate Affairs	177,874	130,899
Staff Development	129,923	133,751
General	222,110	171,984
	<u>2,202,291</u>	<u>1,854,978</u>

9. INVENTORY

	2018	2017
	€	€
Stationery and Books	<u>107,321</u>	<u>88,006</u>
There are no inventories pledged as security		

10. Property, Plant & Equipment

IN RESPECT OF CURRENT YEAR

	Land & Buildings ^(a)	Office Machines	Furniture, Fittings, Equipment & Library Books	Total
	€	€	€	€
COST				
At 1 January 2018	20,607,256	1,668,342	2,269,385	24,544,983
Additions	-	-	179,904	179,904
Disposals	-	(3,179)	(3,075)	(6,254)
At 31 December 2018	20,607,256	1,665,163	2,446,214	24,718,633
DEPRECIATION				
At 1 January 2018	6,580,718	1,622,103	1,637,736	9,840,557
Charge for the Year	410,746	7,420	256,119	674,285
Disposals	-	(795)	(2,767)	(3,562)
At 31 December 2018	6,991,464	1,628,728	1,891,088	10,511,280
NET BOOK VALUE				
At 31 December 2018	13,615,792	36,435	555,126	14,207,353
At 1 January 2018	14,026,538	46,239	631,649	14,704,426

IN RESPECT OF PRIOR YEAR

	Land & Buildings ^(a)	Office Machines	Furniture, Fittings, Equipment & Library Books	Total
	€	€	€	€
COST				
At 1 January 2017	20,607,256	1,668,342	1,912,014	24,187,612
Additions	-	-	357,371	357,371
At 31 December 2017	20,607,256	1,668,342	2,269,385	24,544,983
DEPRECIATION				
At 1 January 2017	6,170,353	1,614,524	1,378,591	9,163,468
Charge for the Year	410,365	7,579	259,145	677,089
At 31 December 2017	6,580,718	1,622,103	1,637,736	9,840,557
NET BOOK VALUE				
At 31 December 2017	14,026,538	46,239	631,649	14,704,426
At 1 January 2017	14,436,903	53,818	533,423	15,024,144

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

	2018	2017
	€	€
Trade Receivables	1,403,760	1,273,391
Exchequer Pensions ^(Note 19c)	127,503	8,789
Prepayments & Other Receivables	13,157	10,094
	<u>1,544,420</u>	<u>1,292,274</u>

Trade receivables are net of a provision for doubtful debts of €24,400 (2017: €24,400)

12. PAYABLES: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018	2017
	€	€
Bank Loans	268,283	266,507
Trade Payables	162,136	274,463
Deferred Fee Income	4,171,391	3,936,856
Sundry Payables and Accruals	394,587	318,983
PAYE/PRSI	239,973	221,692
	<u>5,236,370</u>	<u>5,018,501</u>

13. PAYABLES: AMOUNTS FALLING DUE AFTER ONE YEAR

	2018	2017
	€	€
€5m 20-Year Variable Rate Facility	<u>1,872,443</u>	<u>2,142,501</u>

The loan is repayable in instalments over a 20-year period. There are 8 years left on the repayment period. It is subject to a variable interest rate based on Euribor + 0.5%. The weighted average interest rate during the financial year was 0.65% (2016: 0.65%). The bank holds the deeds to No. 55 Lansdowne Road as security on this facility.

13a BANK LOANS

Analysis of the maturity of loans is given below:

	2018	2017
	€	€
Within 1 Year	268,283	266,507
Within 2–5 Years	804,849	799,520
After More than 5 Years	<u>1,067,594</u>	<u>1,342,981</u>
	<u>2,140,726</u>	<u>2,409,008</u>

14. CAPITAL GRANTS

	2018	2017
	€	€
At 1 January	363,668	513,491
Amount Amortised in the Year	<u>(149,823)</u>	<u>(149,823)</u>
At 31 December	<u>213,845</u>	<u>363,668</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

	2018 €	2017 €
Increase in Cash	142,863	1,405,127
Decrease in 20-Year Mortgage Facility	268,283	266,507
Movement in Net Debt During The Year	411,146	1,671,634
Net Debt at 1 January	2,277,603	605,969
Net Debt at 31 December	2,688,749	2,277,603

Analysis in Changes of Net Debt

	At 31 December 2017 €	Cash Flows €	At 31 December 2018 €
Cash and Cash Equivalents	4,686,612	142,863	4,829,475
20-Year Mortgage Facility	(2,409,009)	268,283	(2,140,726)
Total	2,277,603	411,146	2,688,749

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 2018 was €60,865,000 (2017: €62,981,000) based on an actuarial valuation of the retirement benefit obligations in respect of Institute staff as at 31 December 2018 carried out by a qualified independent actuary for the purposes of FRS 102. A deferred funding asset of €60,865,000 equal to the liability at 31 December 2018 is recognised as a separate asset on the Balance Sheet. The actuarial review for FRS102 disclosures was completed for the purposes of the 2018 Financial Statements.

Movement in Retirement Benefit Obligation

	2018	2017
	€'000	€'000
Present Value of Scheme Obligations at 1 January	62,981	60,418
Current Service Cost	1,247	1,242
Plan Participant Contributions	53	66
Interest Cost	1,149	1,073
Actuarial Loss/(Gain)	(2,421)	1,763
Benefits Paid	(2,017)	(1,470)
Expenses Paid	(127)	(111)
Present Value of Scheme Obligations at 31 December	<u>60,865</u>	<u>62,981</u>
Retirement Benefit Asset at 31 December	<u>60,865</u>	<u>62,981</u>

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

	2018	2017
	€'000	€'000
Employer's Pension Contributions Remitted to the Exchequer	1,640	1,445
Current Service Cost	1,300	1,308
Interest Cost	1,149	1,073
Adjustment to Deferred Exchequer Pension Funding	<u>(2,449)</u>	<u>(2,381)</u>
Total charged to Statement of Income and Expenditure	<u>1,640</u>	<u>1,445</u>

(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 €1.6m (2017: €1.5m) and employee contributions of €88,103 (2017: €101,843). 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:

	2018 (€)	2017 (€)
Balance at 1 January	(8,789)	(3,703)
IPA Contributions (Excl. Seconded)	1,639,849	1,444,871
IPA Seconded Staff	<u>71,327</u>	<u>73,540</u>
Total Institute Contributions ⁽ⁱ⁾	1,711,176	1,518,411
Employee Contributions	88,103	101,843
Retirement Benefit and Related Payments	<u>(2,215,237)</u>	<u>(1,654,667)</u>
Refund from/(Payments to) Exchequer	297,244	29,328
Balance at 31 December	<u>(127,503)</u>	<u>(8,789)</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 €71,327 (2017: €73,540).

(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:

	2018	2017
Rate of Increase in Salaries	2.60%	2.75%
Rate of Increase in Retirement Benefits in Payment	2.60%	2.75%
Rate of Increase in Retirement Benefits in Deferment	2.60%	2.75%
Discount Rate	1.80%	1.85%
Inflation	1.60%	1.75%

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 2018:

	2018	2017
Male Member Age 65 (Current Life Expectancy)	21.4	21.2
Female Member Age 65 (Current Life Expectancy)	23.9	23.7
Male Member Age 45 (Life Expectancy at Age 65)	23.8	23.7
Female Member Age 45 (Life Expectancy at Age 65)	25.9	25.8
Male Member Age 40 (Life Expectancy at Age 65)	-	24.2
Female Member Age 40 (Life Expectancy at Age 65)	-	26.3

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 €1.6m to the Exchequer in 2019.

20. BOARD MEMBERS' INTERESTS

The Board adopted procedures in accordance with the revised *Code of Practice for the Governance of State Bodies* (2016) in relation to the disclosure of interests by Board members, and those procedures have been adhered to in the year. There were no transactions in the year in relation to the Board's activities in which members had any beneficial interest.

21. APPROVAL OF FINANCIAL STATEMENTS

The Board of Directors of the Institute approved these financial statements and authorised them for issue, subject to no material change on 18 September 2019.