Examination of Appropriation Account Vote 40 – Children and Youth Affairs

2017

An Roinn Leanaí
agus Gnóthaí Óige
Department of Children
and Youth Affairs

Committee of Public Accounts Briefing Note

June 2019

Contents

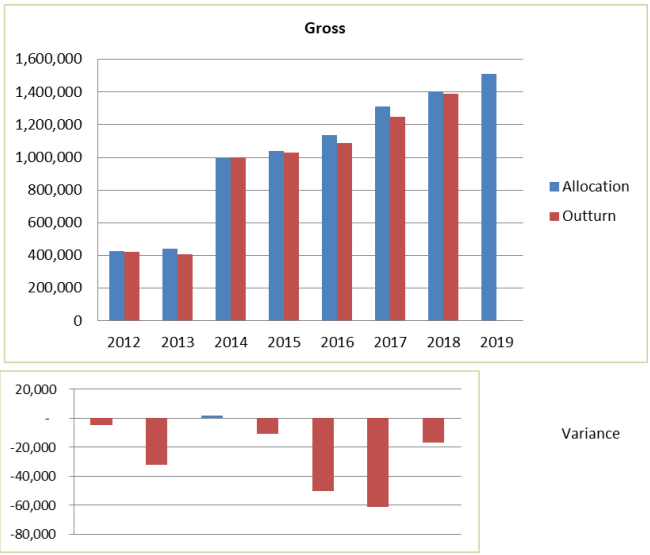
Introduction

This briefing paper provides an overview of the Department and how its Vote is structured in the context of the examination by the Committee on Public Accounts of the 2017 Appropriation Account. While the Appropriation Account under examination relates to 2017, information and trends up to the current year are offered where relevant.

The establishment the Department of Children and Youth Affairs in 2011 resulted in the centralisation of a number of policy areas and programmes from a range of areas including health, education and justice. Its financial allocation was just over €400 million per annum at that time. While many of the functions and programmes were in place before 2011, it is difficult to directly track previous developments in conjunction with Vote 40 expenditure.

A major increase in the size of the Vote occurred in 2014 with the creation of the Child and Family Agency, Tusla. Since then, gross voted expenditure (current and capital) increase from just under €1.0 billion in 2014 to €1.51 billion in 2019, an increase of €513 million or 51%.

Figure 1.1: Children & Youth Affairs: (Gross) Voted Expenditure & Outturn 2012 – 2019
(includes current and capital expenditure)



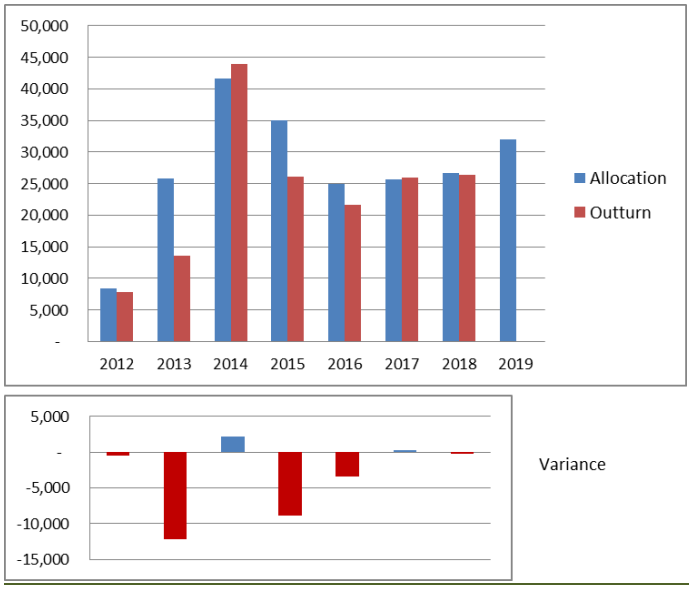
Gross €000	2012	2013	2014	2015	2016	2017	2018	2019
Allocation	426,980	439,106	997,155	1,040,023	1,138,476	1,311,036	1,403,780	1,510,313
Outturn	422,366	407,160	999,145	1,029,373	1,088,428	1,249,984	1,386,886	-
Annual Variance	**- 4,614**	**- 31,946**	**1,990**	**- 10,650**	**- 50,048**	**- 61,052**	**- 16,894**	
% Var	-1%	-7%	0%	-1%	-4%	-5%	-1%	
% of Voted Expenditure	100%	100%	100%	100%	100%	100%	100%	100%

Change in Gross Allocation 2014-2019	**513,158**	51%

The Vote is predominantly made up of current funding but there is a significant element of capital funding made available through the Vote. While it is of much smaller scale compared to other Votes such as Health, it does provide for very important strategic developments. There are four areas of the Vote which receive capital funding. These are:

- Child and Family Agency, Tusla;
- Youth Justice – Children Detention Campus;
- Childcare; and
- Youth Organisations and Services.

Figure 1.2: Children & Youth Affairs: Capital Allocation & Outturn 2012 – 2019



Vote 40 - Capital	2012	2013	2014	2015	2016	2017	2018	2019
Allocation	8,350	25,760	41,712	35,000	25,000	25,620	26,690	32,000
Outturn	8,350	15,344	44,713	26,825	23,328	33,204	26,424	-
Annual Variance	**-**	**- 10,416**	**3,001**	**- 8,175**	**- 1,672**	**7,584**	**- 266**	
% Var	0.0%	-40.4%	7.2%	-23.4%	-6.7%	29.6%	-1.0%	0.0%

Change in Gross Allocation 2014-2019	- 9,712	-23%

Role of the Department

The Department's Statement of Strategy (2016-2019) sets out our overall strategic direction and includes a statement of our mandate, overall mission and vision for the future. It sets out six strategic objectives and also articulates the values, behaviours and culture expected of our staff.

Our Mandate is to put in place a unified framework for policy, legislation and service provision across Government for children and young people. The responsibilities of the Department encompass a wide range of policy and service activity, both direct and indirect, for children and young people. As such, the work of the Department and the programmes delivered by it, have a diverse range of cross-cutting implications and relevance for other areas of policy. For instance, the delivery of childcare and youth initiatives supports overall Government objectives including better educational outcomes, health outcomes, labour force participation, social development etc. The cross-cutting nature of the programmes is reflected in the Department's National Policy Framework, *'Better Outcomes, Brighter Futures'* which was published in 2014.

Key points

- The Department of Children and Youth Affairs was established in June 2011 consolidating a number of policy areas and programmes from a range of areas including health, education and justice.
- A very significant development in 2014 was the creation of the Child and Family Agency (Tusla) in January 2014. Funding for the child welfare and protection services previously provided by the HSE transferred to Vote 40.
- As a result, the Vote saw a significant increase in funding, bringing its voted allocation from €439 million in 2013 to €997 million in 2014 (an increase of 127%).
- Since 2014, gross voted expenditure by the Department of Children and Youth Affairs has increased by 51% to €1.51 billion in 2019.
- In terms of composition, 53% of gross expenditure allocated for 2019 relates to the work and services of Tusla while 39% is accounted for by early learning and care related supports.
- At end Quarter 1 2019, there were 4,534 whole time equivalent staff employed across the Department and its Agencies, 87% of whom were employed by Tusla.
- The primary drivers of expenditure are demographics, service demand and policy direction/implementation.
- Policy direction and implementation is a key factor in determining expenditure in the area of early learning and care, including the implementation of the National Childcare Scheme, the extension of ECCE and commitments to provide other related supports.

Who We Are and What We Do

Our Mandate

The core function of our Department is to put in place a unified framework for policy, legislation and service provision across Government for children and young people.

In doing this, we focus on harmonising policy issues that affect children and young people in areas such as early childhood care and education, youth justice, children in care, child welfare and protection, adoption, family support, children and young people's participation, research on children and young people, youth work and cross-cutting initiatives for children.

The National Policy Framework for Children and Young People 2014-2020 – Better Outcomes, Brighter Futures – provides the context for our own work as well as the agenda for our leadership of effort to improve outcomes for children and young people.

Our Mission – Why we exist

To lead the effort to improve outcomes for children and young people in Ireland.

Our Vision – Where we want to get to

We want Ireland to be one of the best small countries in the world in which to grow up and raise a family. A place where the rights of all children and young people are respected, protected and fulfilled; where their voices are heard; and where they are supported to realise their maximum potential now and in the future.

Strategic Objectives

1. Better Outcomes Brighter Futures is implemented
2. High quality early years care and education is accessible and affordable
3. Child welfare and protection systems are effective and responsive
4. Evidence-based policy is promoted and supported, and children and young people participate in decisions that affect their lives
5. High standards of compliance on governance and accountability are supported and enforced
6. Performance is improved through the effective alignment of resources

Our Values, Behaviours & Culture

- We place children, young people and families at the heart of our work, aiming for better outcomes as the centre of policy development and service delivery
- We value our staff and create an environment where they learn, develop and contribute to the goals of the organisation
- We place outcomes for children and young people at the centre of policy and service delivery, informed by evidence
- We support prevention and early intervention approaches
- We seek to innovate and collaborate with other departments, agencies and sectors
- We are accountable, open to change, customer-focused and respectful in our dealings with the public and work colleagues
- We recognise the positive duty to ensure a human rights and equality approach to our work.

Source: Department of Children and Youth Affairs: Statement of Strategy 2016 - 2019

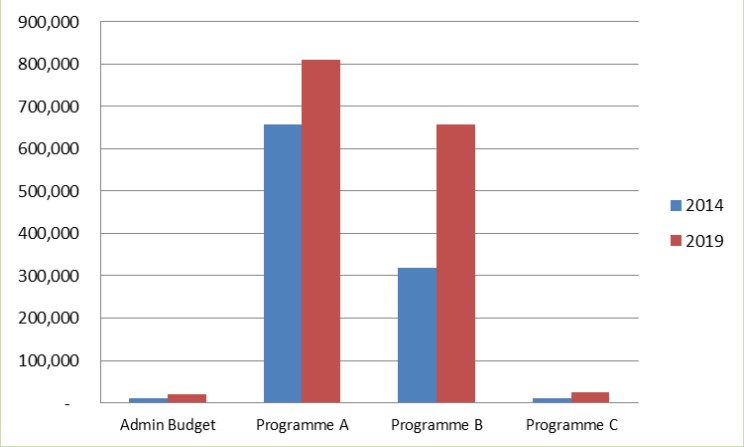
Outline of funding by Programme Area

Vote 40 for Children and Youth Affairs is structured in line with performance budgeting arrangements which align subhead allocations to the Department`s high level goals. The Department had three programme areas, each associated to a high level goal during 2017.

Programme Area	High Level Goal
A. Children and Family Support Programmes	To support and improve the existing service delivery arrangements to protect and support the welfare of children, young people and families, including oversight of the Child and Family Agency
B. Sectoral Programmes for Children and Young People	To continue to support the provision of both universal and targeted services for the care, development and wellbeing of children and young people
C. Policy and Legislation Programme	To oversee key areas of policy, legislation and inter-sectoral collaboration to improve the lives and wellbeing of children and young people

Programmes A and B account for 97% of funding. There has been a significant shift since 2014 in relation to Programme B funding which has increased from 32% of overall funding in 2014 to 43% in 2019.

Figure 1.3: Funding by Programme Area 2014 and 2019 (€000)
(includes current and capital expenditure)



Programme A - Children and Family Support Programmes

Significant spending areas:

- Child and Family Agency
- Youth Justice – Children Detention Campus

Subhead A3 - Child and Family Agency (Tusla)

The funding of the Child and Family Agency (Tusla) is delivered under Programme A of the Vote.

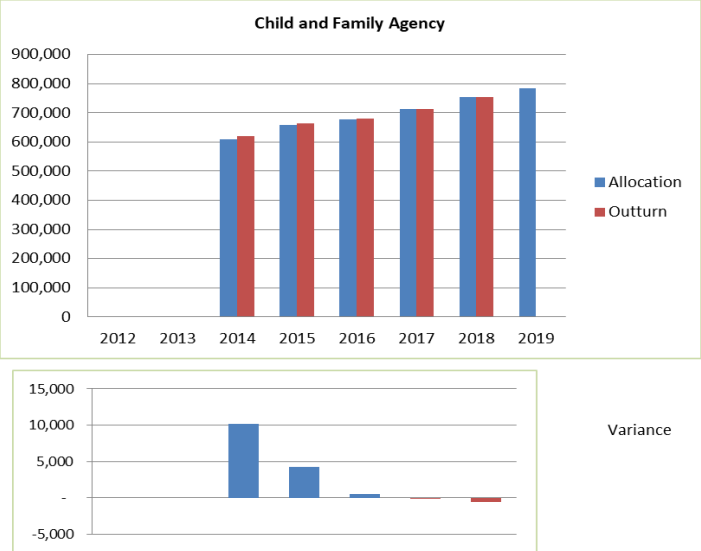
On 1st January 2014 Tusla became an independent legal entity, comprising HSE Children and Family Services, the Family Support Agency and the National Educational Welfare Board and a range of services responding to domestic, sexual and gender-based violence.

Tusla is now the dedicated State agency responsible for improving wellbeing and outcomes for children. The Agency operates under the Child and Family Agency Act 2013, a key piece of legislation with children at its heart and families viewed as the foundation of a strong healthy community where children can flourish. Partnership and cooperation in the delivery of seamless services to children and families are also central to the Act.

- Tusla accounted for 54% of voted expenditure in 2017 and accounts for 52% in 2019.

- Since 2014, Tusla has received a 29% increase in overall funding.

Figure 1.4: Subhead A3 – Tusla: Gross Voted Expenditure (€000) 2014 – 2019
(includes current and capital expenditure)



Child and Family Agency €000	2012	2013	2014	2015	2016	2017	2018	2019
Allocation	-	-	609,124	658,401	676,042	712,895	753,526	784,619
Outturn	-	-	619,318	662,690	678,996	712,693	752,917	-
Annual Variance	**-**	**-**	**10,194**	**4,289**	**2,954**	**- 202**	**- 609**	
% Var			2%	1%	0%	0%	0%	
% of Voted Expenditure	0%	0%	61%	63%	59%	54%	54%	52%

Change in Gross Allocation 2014-2019	**175,495**	29%

Tusla Capital Allocation

Tusla's capital allocation is generally used for ICT developments, major capital projects relating to residential care services, minor capital works associated with estate management and fleet replacement.

Figure 1.5: Subhead A3 – Tusla: Capital Allocation and Outturn (€000) 2014 – 2019

Child and Family Agency - Capital	2012	2013	2014	2015	2016	2017	2018	2019
Allocation	-	-	6,841	12,386	13,560	13,560	13,940	17,194
Outturn			**4,846**	**6,863**	**13,554**	**13,560**	13,940	
Annual Variance	**-**	**-**	**- 1,995**	**- 5,523**	**- 6**	**-**	**-**	
% Var			-29.2%	-44.6%	0.0%	0.0%	0.0%	0.0%
% of Voted Capital Expenditure	0%	0%	16%	35%	54%	53%	52%	54%

Change in Gross Allocation 2014-2019	10,353	151%

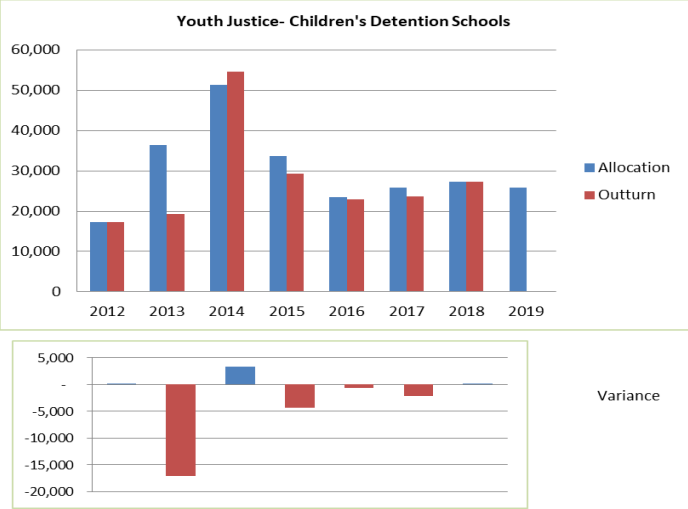
Subhead A4 Youth Justice – Oberstown Children Detention Campus

Oberstown Children Detention Campus (Oberstown) is a national service that provides a safe and secure environment for young people remanded in custody or sentenced by the Courts for a period of detention. It is located on a single site in Oberstown, Lusk, Co Dublin.

The principal objective of the centre under the Children Act 2001 is to provide appropriate care, education, training and other programmes to young boys and girls between 12 and 18 years with a view to reintegrating them successfully into their communities and to society. The framework for providing these objectives is through CEHOP which focuses on providing Care, Education, Health and wellbeing interventions, Offending behaviour programmes and Preparation for leaving.

Youth Justice accounted for 2% of voted expenditure in 2017 and accounts for 2% again in 2019.

Figure 1.6: Subhead A4 - Youth Justice: Gross Voted Expenditure (€000) 2014 – 2019 (includes current and capital expenditure)



Youth Justice- Children's Detention Schools €0	2012	2013	2014	2015	2016	2017	2018	2019
Allocation	17,195	36,336	48,794	33,612	22,551	25,860	27,293	25,860
Outturn	17,254	19,293	54,701	29,343	22,869	23,743	27,362	-
Annual Variance	**59**	**- 17,043**	**5,907**	**- 4,269**	**318**	**- 2,117**	**69**	
% Var	0%	-47%	12%	-13%	1%	-8%	0%	
% of Voted Expenditure	4%	8%	5%	3%	2%	2%	2%	2%

Change in Gross Allocation 2014-2019	**- 22,934**	-47%

Capital Allocation

The decrease in overall expenditure during the period 2014 to 2016 reflects the completion of a major capital project for the building programme to develop a single campus at Oberstown.

Figure 1.7: Subhead A4 - Youth Justice: Capital Allocation and Outturn (€000) 2014 – 2019

Youth Justice - Childrens Detention Campus - Capital	2012	2013	2014	2015	2016	2017	2018	2019
Allocation	1,350	20,760	30,871	13,614	940	3,200	3,600	2,000
Outturn	**1,350**	**10,371**	**35,852**	**10,999**	**1,045**	**1,081**	3,483	
Annual Variance	**-**	**- 10,389**	**4,981**	**- 2,615**	**105**	**- 2,119**	**- 117**	
% Var	0.0%	-50.0%	16.1%	-19.2%	11.2%	-66.2%	-3.3%	0.0%
% of Voted Capital Expenditure	16%	81%	74%	39%	4%	12%	13%	6%

Change in Gross Allocation 2014-2019	- 28,871	-94%

Programme B - Sectoral Programmes for Children and Young People

Significant spending areas

- Early Years Care and Education (ELC) and School Age Childcare (SAC)
- Youth Services and Organisation

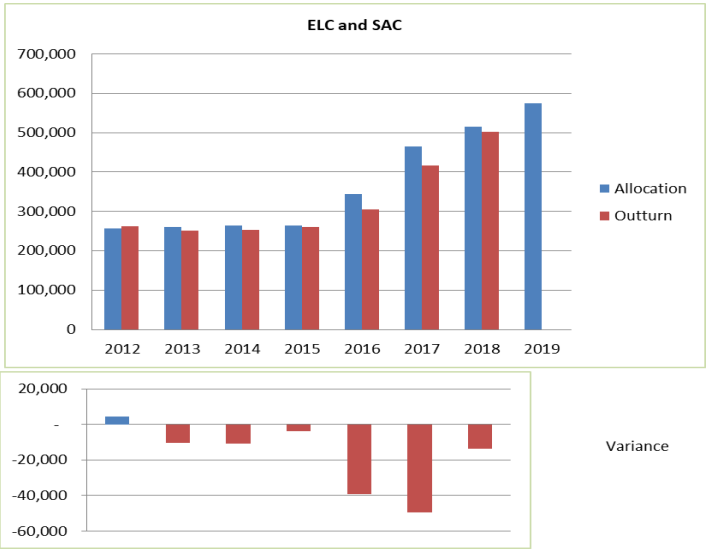
Early Years Care and Education (ELC) and School Age Childcare (SAC)

The funding of the Childcare schemes, related supports and initiatives are delivered through Programme B of the Department`s Vote. The most significant share of the funding in this programme area is concentrated on the ELC and SAC programmes.

- ELC and SAC accounted for 35% of voted expenditure in 2017 and has increased to 38% in 2019.

- Since 2014, ELC and SAC has received a 118% increase in overall funding reflecting the priority attached by Government to addressing affordability, quality and accessibility of child care services.

Figure 1.8: Subheads B3, B4 & B5 – ELC and SAC: Gross Voted Expenditure (€000) 2012–2019 (includes current and capital expenditure)



ELC and SAC	2012	2013	2014	2015	2016	2017	2018	2019
Allocation	257,400	260,798	263,629	264,892	344,122	464,021	515,714	574,443
Outturn	261,625	250,451	252,798	261,261	304,968	416,233	502,118	-
Annual Variance	**4,225**	**- 10,347**	**- 10,831**	**- 3,631**	**- 39,154**	**- 47,788**	**- 13,596**	
% Var	1.6%	-4.0%	-4.1%	-1.4%	-11.4%	-10.3%	-2.6%	
% of Voted Expenditure	60%	59%	26%	25%	30%	35%	37%	38%

Change in Gross Allocation 2014-2019	317,043	120%

Capital Allocation

The Early Learning and Care Capital Programme focus is on three primary objectives:

- the creation of childcare places to address supply and demand pressures;
- maintaining previous investment under previous programmes; and
- improving quality in the sector.

Figure 1.9: Subhead B5 - Early Learning and Care: Capital Programme (€000) 2012–2019

Childcare - Capital	2012	2013	2014	2015	2016	2017	2018	2019
Allocation	6,500	3,250	3,250	8,250	7,500	5,860	6,860	9,606
Outturn	**6,500**	**3,223**	**3,250**	**8,250**	**7,000**	**11,260**	6,697	
Annual Variance	**-**	**- 27**	**-**	**-**	**- 500**	**5,400**	**- 163**	
% Var	0.0%	-0.8%	0.0%	0.0%	-6.7%	92.2%	-2.4%	0.0%
% of Voted Capital Expenditure	78%	13%	8%	24%	30%	23%	26%	30%

Change in Gross Allocation 2014-2019	6,356	196%

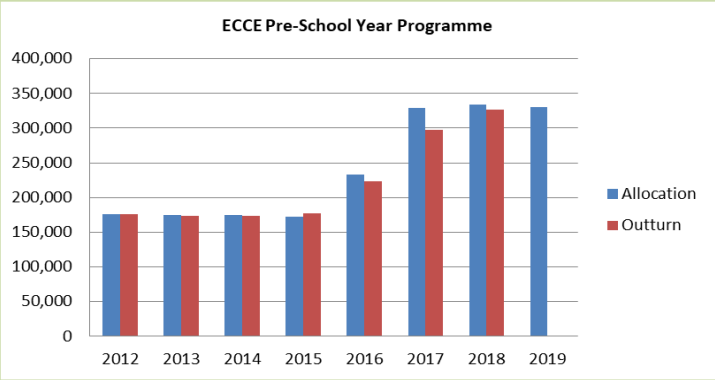
Subhead B3 – Early Childhood Care and Education Scheme & AIM

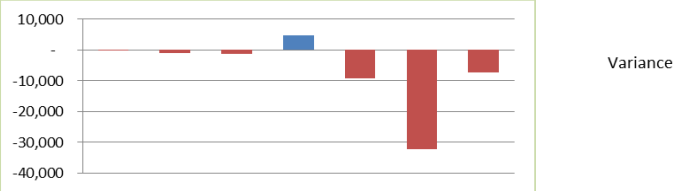
The Early Childhood Care and Education Scheme (ECCE) provides children with their first formal experience of early learning prior to commencing primary school. It is a universal and demand-led scheme, available to all children within the qualifying age range in each of the two years before they commence primary education. The scheme entitlement is currently three hours per day, five days per week, over 38 weeks per year and the programme year runs from September to June each year.

The Access and Inclusion Model (AIM) is a model of supports designed to ensure that children with disabilities can access the ECCE programme. Its goal is to empower pre-school providers to deliver an inclusive pre-school experience, ensuring that every eligible child can fully participate in the ECCE programme and reap the benefits of quality early learning and care. AIM is a child-centred model, involving seven levels of progressive support, moving from the universal to the targeted, based on the needs of the child and the pre-school setting.

- ECCE and AIM accounted for 25% of voted expenditure in 2017 and for 22% in 2019.
- Since 2014, ECCE and AIM have received an 88% increase in overall funding reflecting a second year of coverage (ECCE) and the development of a new scheme (AIM).

Figure 1.10: Subhead B3 ECCE and AIM: Gross Voted Expenditure (€000) 2012 – 2019





ECCE Pre-School Year Programme €000	2012	2013	2014	2015	2016	2017	2018	2019
Allocation	175,800	175,000	175,000	172,400	233,000	329,500	334,136	329,676
Outturn	175,768	174,112	173,797	177,082	223,751	297,136	326,710	-
Annual Variance	**- 32**	**- 888**	**- 1,203**	**4,682**	**- 9,249**	**- 32,364**	**- 7,426**	
% Var	0%	-1%	-1%	3%	-4%	-10%	-2%	
% of Voted Expenditure	41%	40%	18%	17%	20%	25%	24%	22%

Change in Gross Allocation 2014-2019	**154,676**	88%

Subhead B4 - General Childcare Programmes (Targeted Schemes)

These programmes contain a number of targeted childcare schemes which are demand-led.

- ***Community Childcare Subvention Programme (CCS)***
  The Community Childcare Subvention (CCS) Programme is the largest of these in terms of expenditure and targeted to support parents on a low income to avail of reduced childcare costs at participating community childcare services.

- ***Community Childcare Subvention Plus (CCSP)***
  The Community Childcare Subvention Plus (CCSP) Programme provides support for parents on a low income to avail of reduced childcare costs at participating privately owned childcare services and at community not-for-profit childcare services.

- ***Community Childcare Subvention Universal (CCSU)***
  As part of the Government policy to make childcare more affordable, the Department has introduced a universal childcare subvention payment of up to €20 per week for families using eligible childcare providers for the care of children aged from 6 months to the first eligible point of entry to the ECCE scheme. This scheme is administered via an enhancement to the CCS scheme and was introduced in September 2017.

- **Community Childcare Subvention Resettlement (CSSR)**
  In accordance with Government policy Ireland has increased its resettlement quota to cater for up to 4,000 Programme Refugees. To support the Programme Refugees (PRs) in their resettlement and integration into Irish society, the need to provide dedicated childcare funding was recognised. Childcare funding for this cohort was incorporated into the existing CCS and CCSP Programmes to enable parents to be free to attend a language and orientation course within their reception centre for eight weeks and then for a full year following their move into the community (i.e. 60 weeks in total).

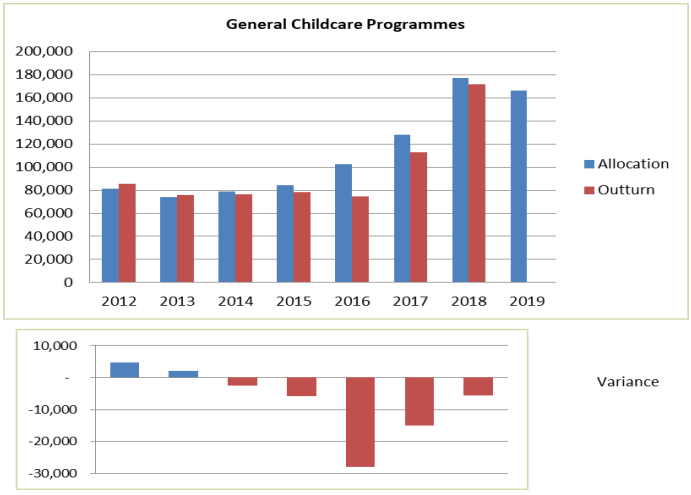
- **Community Childcare Subvention Resettlement (Transitional) (CSSR(T))**
  As part of the "*Rebuilding Ireland – an Action Plan for Housing and Homelessness*", there is a special provision under the current Community Childcare Subvention Programme (entitled CCSR (Transitional)), which provides access to free childcare for children of families experiencing homelessness. The provision includes subvention for all pre-school children, including those of ECCE eligible age range aged 0-5 inclusive. The scheme is also designed to help those transitioning from homelessness to permanent accommodation.

- **Training and Employment Childcare (TEC) Programmes**
  The objective of the TEC Programmes is to support parents on eligible training courses and eligible categories of parents returning to work, by providing subsidised childcare places.

- **Childcare Education and Training Support programme (CETS)**
  CETS is part of the overall TEC programme and formerly catered for FAS and VEC training course participants and now provides childcare on behalf of the Local Education and Training Boards and Secondary Schools.

General Childcare Programmes accounted for 10% of voted expenditure in 2017 and accounts for 11% in 2019. Since 2014, General Childcare Programmes received a 110% increase in overall funding.

Figure 1.11: Subhead B4 General Childcare Programmes: Gross Voted Expenditure (€000) 2012 – 2019



General Childcare Programmes €000	2012	2013	2014	2015	2016	2017	2018	2019
Allocation	80,998	74,098	79,129	84,129	102,759	126,158	177,081	166,350
Outturn	85,682	76,121	76,701	78,399	74,755	112,758	171,541	-
Annual Variance	**4,684**	**2,023**	**- 2,428**	**- 5,730**	**- 28,004**	**- 13,400**	**- 5,540**	
% Var	6%	3%	-3%	-7%	-27%	-11%	-3%	
% of Voted Expenditure	19%	17%	8%	8%	9%	10%	13%	11%

Change in Gross Allocation 2014-2019	87,221	110%

Note: *All of the targeted schemes under subhead B4 of the Vote will be replaced by the forthcoming National Childcare Scheme later this year. The National Childcare Scheme will be accounted for under subhead B4.*

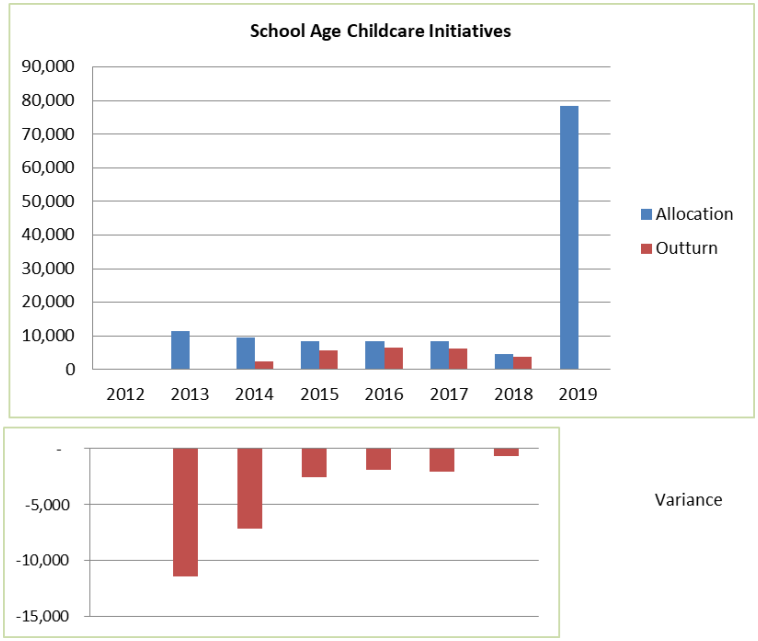
Subhead B5 - Childcare Initiatives

Prior to 2019[1], there were two main elements to this subhead which were part of the overall TEC programme referred to under subhead B4.

- **After-School Child Care programme (ASCC)**
  The ASCC is administered on behalf of the Department of Employment and Social Protection (DEASP) and provides afterschool care for primary school children for certain categories of working parents and parents on DEASP employment programmes (not including Community Employment).

- **Community Employment Childcare programme (CEC)**
  The CEC is administered on behalf of the DEASP and provides childcare for children of parents who are participating on Community Employment schemes.

Figure 1.12: Subhead B5 Childcare Initiatives: Gross Voted Expenditure (€000) 2012 – 2019



[1] Subhead renamed and re-configured in 2019. It is now titled *Childcare Programmes: Delivery Supports and Other Initiatives – see page 15 for more detail*

School Age Childcare Initiatives €000	2012	2013	2014	2015	2016	2017	2018	2019
Allocation	-	11,500	9,500	8,363	8,363	8,363	4,497	78,417
Outturn	-	18	2,300	5,780	6,462	6,339	3,867	-
Annual Variance	**-**	**- 11,482**	**- 7,200**	**- 2,583**	**- 1,901**	**- 2,024**	**- 630**	
% Var		-100%	-76%	-31%	-23%	-24%	-14%	
% of Voted Expenditure	0%	3%	1%	1%	1%	1%	0%	5%

Change in Gross Allocation 2014-2019	**68,917**	725%

Note: Figures 1.10–1.12 includes adjustments made in the 2019 REV reflecting a reconfiguration of sub-heads B3, B4 and B5

In particular, significant changes were made to subhead B5 which is now titled *Childcare Programmes: Delivery Supports and Other Initiatives*. This included transfers in from subheads B3 and B4. The aim under this subhead is to combine all delivery, developmental and other initiative costs associated with the implementation of the ELC and SAC initiatives under a single heading. In addition, subhead B3 has been renamed *as ECCE and AIM Pre-School Year Programmes* and subhead B4 has been renamed as *Affordable Childcare Scheme and other targeted Childcare Programmes*.

All of the targeted schemes under subhead B4 of the Vote will be replaced by the forthcoming National Childcare Scheme later this year. The National Childcare Scheme will be accounted for under subhead B4.

The National Childcare Scheme

The National Childcare Scheme (NCS), is due to be implemented from October 2019. It will replace the targeted childcare schemes and CCS Universal, and will provide a sustainable, flexible, and high quality platform for the delivery of childcare subsidies in the future. By providing subsidies towards the cost of childcare, the scheme aims to make childcare more affordable and, through this, to support (i) labour market activation, (ii) lifelong learning, (iii) gender equality, (iv) good child outcomes and (v) a reduction in poverty.

There will be two types of subsidies under the National Childcare Scheme:

1. **Universal Subsidies** will be available to all families with children under three years old. They will also be available to families with children over three years who have not yet qualified for the free preschool programme (ECCE). This subsidy is not means tested and provides 50c per hour towards the cost of a registered childcare place for up to a maximum of 40 hours per week.
2. **Income Assessed Subsidies** will be available to families with children aged between 24 weeks and 15 years. This subsidy is means tested and will be calculated based on the individual's circumstances. The subsidy rate will vary depending on the level of family income, the child's age and educational stage, and the number of children in the family. The subsidy can be used towards the cost of a registered childcare place for up to a maximum of 40 hours if the parent is working, studying or training, or in circumstances where s/he is unavailable for childcare, and a maximum of 15 hours if s/he are not working, studying or training.

Subhead B6 - Youth Services and Organisations

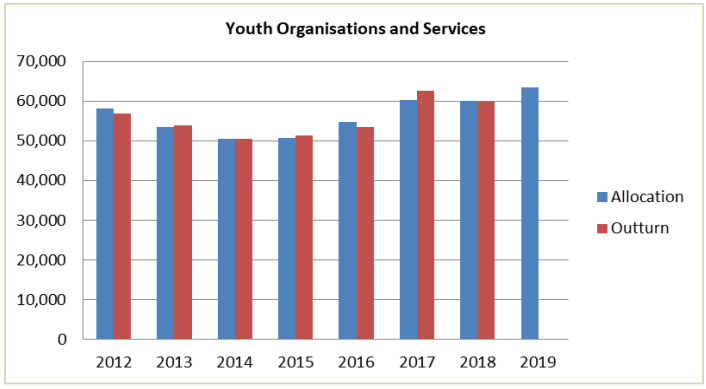
The Youth Services and Organisation Programme supports organisations in the area of youth development and services. Youth services work both alongside and outside the formal education system in order to engage with young people aged between 10 and 24 years of age, and also as a point of contact or referral for other youth-related services.

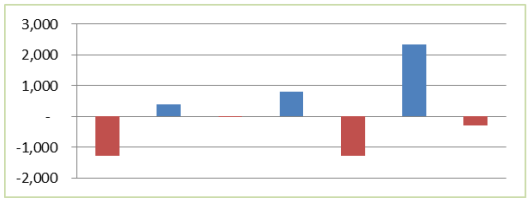
The main funding under the programme is divided between four youth funding schemes for disadvantaged young people, which will be merged into a new single targeted fund from 2020, and a wider Youth Services Grant Scheme which funds some 30 national organisations involved in youth work. The targeted schemes are provided by professional youth workers and directed towards those most in need of support, while the Youth Service Grant Scheme is led by voluntary staff and funds a range of large youth organisations nationally. The Programme also funds a Local Youth Club Grant Scheme, Youth Information Centres, certain other youth programmes and provision for Leargas and An Gaisce.

- Youth Services and Organisations funding accounted for 5% of voted expenditure in 2017 and 4% in 2019.

- Since 2014, Youth Services and Organisations received a 26% increase in overall funding although this followed a reduction in funding during the economic crises of earlier years.

Figure 1.13: Subhead B6 Youth Services and Organisations: Gross Voted Expenditure (€000) 2012 – 2019 (includes current and capital expenditure)





Youth Organisations and Services €000	2012	2013	2014	2015	2016	2017	2018	2019
Allocation	58,306	53,498	50,530	50,680	54,895	60,395	60,230	63,595
Outturn	57,030	53,895	50,523	51,485	53,607	62,747	59,925	-
Annual Variance	**- 1,276**	**397**	**- 7**	**805**	**- 1,288**	**2,352**	**- 305**	
% Var	-2%	1%	0%	2%	-2%	4%	-1%	
% of Voted Expenditure	14%	12%	5%	5%	5%	5%	4%	4%

Change in Gross Allocation 2014-2019	**13,065**	26%

Figure 1.14: Subhead B6 Youth Services and Organisations: Capital Allocation and Outturn (€000) 2012 – 2019

Youth Organisations and Services - Capital	2012	2013	2014	2015	2016	2017	2018	2019
Allocation	500	1,750	750	750	3,000	3,000	2,290	3,200
Outturn	**500**	**1,750**	**765**	**713**	**1,729**	**7,303**	2,304	
Annual Variance	**-**	**-**	**15**	**- 37**	**- 1,271**	**4,303**	**14**	
% Var	0.0%	0.0%	2.0%	-4.9%	-42.4%	143.4%	0.6%	0.0%
% of Voted Capital Expenditure	6%	7%	2%	2%	12%	12%	9%	10%

Change in Gross Allocation 2014-2019	2,450	327%

Other Expenditure

Other areas of expenditure in Programme B primarily relate to smaller areas of expenditure. This includes:

Subhead B.7 – Area Based Childhood Programmes

The focus of the funding under this subhead is to strengthen and develop prevention, early intervention, and family support services. The ABC Programme is a prevention and early intervention initiative, targeting investment in effective services to improve the outcomes for children and families living in areas of disadvantage. It was established in 2013 and was jointly funded by the Department of Children and Youth Affairs (DCYA) and Atlantic Philanthropies from 2013 to 2017. The withdrawal of Atlantic Philanthropies from Ireland in 2018 has led to the programme now being funded solely by DCYA and this is reflected in the allocation for 2019.

Figure 1.15: Subhead B7 – Area Based Childhood Programme: Gross Voted Expenditure 2012 – 2019

Area Based Childhood Programme €000	2012	2013	2014	2015	2016	2017	2018	2019
Allocation	-	-	4,000	4,750	3,650	5,800	6,348	9,500
Outturn	-	-	4,000	3,400	3,650	4,183	6,163	-
Annual Variance	**-**	**-**	**-**	**- 1,350**	**-**	**- 1,617**	**- 185**	
% Var			0%	-28%	0%	-28%	-3%	
% of Voted Expenditure	0%	0%	0%	0%	0%	0%	0%	1%

Change in Gross Allocation 2014-2019	**5,500**	138%

Subhead B.8 – Intervention Programmes Children and Young People

This Subhead supports a range of projects funded from the Dormant Accounts Fund. Some of the key projects and programmes in receipt of funding include the Quality and Capacity Building Programme and the Youth Employment Initiative.

Figure 1.16: Subhead B8 – Intervention Programmes Children and Young People: Gross Voted Expenditure (€000) 2012 – 2019

Intervention Programmes (Dormant Accounts F	2012	2013	2014	2015	2016	2017	2018	2019
Allocation	-	-	-	856	4,604	5,166	4,082	7,166
Outturn	-	-	-	759	1,545	1,098	3,650	-
Annual Variance	**-**	**-**	**-**	**- 97**	**- 3,059**	**- 4,068**	**- 432**	
% Var				-11%	-66%	-79%	-11%	
% of Voted Expenditure	0%	0%	0%	0%	0%	0%	0%	0%

Subhead B.9 – Programme for Peace and Reconciliation

The PEACE IV Programme is a cross border initiative managed by the Special EU Programmes Body. The Programme has a particular focus on cross border and cross community reconciliation and supports children and young people who are disadvantaged, excluded or marginalised, have deep social and emotional needs and are at risk of becoming involved in anti-social behaviour, violence or dissident activity.

Figure 1.17: Subhead B9 – Programme for Peace and Reconciliation: Gross Voted Expenditure 2012 – 2019

Programme for Peace and Reconcilliation €000	2012	2013	2014	2015	2016	2017	2018	2019
Allocation	-	-	-	-	-	281	889	2,098
Outturn	-	-	-	-	-	584	879	-
Annual Variance	**-**	**-**	**-**	**-**	**-**	**303**	**- 10**	
% Var						108%	-1%	
% of Voted Expenditure	0%	0%	0%	0%	0%	0%	0%	0%

Subhead B.10– Creative Ireland

The Creative Ireland Programme was introduced in 2018 and is led by the Department of Culture, Heritage and the Gaeltacht (DCHG) and aims to place creativity at the centre of public policy. It is a 5-year initiative and the Department has made a commitment to establish a Youth Consultation Initiative which will consider the voice of children and young people in building a Creative Youth Partnership.

Figure 1.18: Subhead B9 – Creative Ireland: Gross Voted Expenditure 2012 – 2019

Creative Ireland €000	2012	2013	2014	2015	2016	2017	2018	2019
Allocation	-	-	-	-	-	-	100	100
Outturn	-	-	-	-	-	-	55	-
Annual Variance	**-**	**-**	**-**	**-**	**-**	**-**	**- 45**	
% Var							-45%	
% of Voted Expenditure	0%	0%	0%	0%	0%	0%	0%	0%

Programme C- Policy and Legislation Programme

The Policy and Legislation Programme is targeted at key areas of policy, legislation and inter-sectoral collaboration to improve the lives and wellbeing of children and young people. Expenditure has expanded in recent years on 'Growing Up in Ireland- The National Longitudinal Study on Children', the Children and Young People`s Policy Framework and Other Programmes and the Commission of Investigation into Mother and Baby Homes and certain related matters. The funding delivered under the Programme also supports the Adoption Authority of Ireland and the Office of the Ombudsman for Children.

Subhead C3 – Miscellaneous Legal Fees and Settlements

By their nature, legal costs are difficult to estimate in advance but prudent planning requires making adequate provision for unanticipated legal costs.

Figure 1.19: Subhead C3 – Miscellaneous Legal Fees and Settlements: Gross Voted Expenditure (€000) 2012 – 2019

Miscellaneous Legal Fees and Settlements €00	2012	2013	2014	2015	2016	2017	2018	2019
Allocation	650	848	848	739	889	889	889	889
Outturn	186	220	124	15	-	59	396	-
Annual Variance	**- 464**	**- 628**	**- 724**	**- 724**	**- 889**	**- 830**	**- 493**	
% Var	-71%	-74%	-85%	-98%	-100%	-93%	-55%	
% of Voted Expenditure	0%	0%	0%	0%	0%	0%	0%	0%

Change in Gross Allocation 2014-2019	**41**	5%

Subhead C4– National Longitudinal Study and Other Programmes

This Subhead supports '*Growing Up in Ireland*' (the National Longitudinal Study) and other Research Programmes administered and supported by the Department.

'*Growing Up in Ireland*' monitors the development of almost 20,000 children and aims to examine the factors which contribute to or undermine the wellbeing of children in contemporary Irish families. The Department also supports, funds and manages a range of projects and initiatives with a view to supporting research and capacity building in the areas of children's lives; delivering on commitments under the National Strategy for Research and Data on Children's Lives and the *Better Outcomes, Brighter Futures National Framework*.

Figure 1.20: Subhead C4 – National Longitudinal Study and Other Programmes: Gross Voted Expenditure (€000) 2012 – 2019

National Longitudinal Study and Other Researc	2012	2013	2014	2015	2016	2017	2018	2019
Allocation	4,031	3,515	1,472	1,900	3,283	4,783	3,620	2,796
Outturn	4,020	3,434	616	1,814	1,470	4,135	3,403	-
Annual Variance	**- 11**	**- 81**	**- 856**	**- 86**	**- 1,813**	**- 648**	**- 217**	
% Var	0%	-2%	-58%	-5%	-55%	-14%	-6%	
% of Voted Expenditure	1%	1%	0%	0%	0%	0%	0%	0%

Change in Gross Allocation 2014-2019	**1,324**	90%

Subhead C5 – Children and Young People`s Policy Framework and Other Programmes

This subhead supports a range of programmes and activities including Children and young people`s participation in decision making; Children and Young People's Services Committees and the Children and Young People`s Policy Framework. The increase in 2019 funding primarily relates to development funding for the Family Resource Centre Programme and Domestic, Sexual and Gender Based Violence (DSGBV) Services under the auspices of Tusla.

Figure 1.21: Subhead C5 – Children and Young People`s Policy Framework and Other Programmes: Gross Voted Expenditure (€m) 2012 – 2019

Children and Young People`s Policy Framework	2012	2013	2014	2015	2016	2017	2018	2019
Allocation	2,539	2,175	3,508	2,620	4,660	4,160	4,383	8,634
Outturn	1,970	1,965	1,797	2,238	3,146	3,691	4,219	-
Annual Variance	**- 569**	**- 210**	**- 1,711**	**- 382**	**- 1,514**	**- 469**	**- 164**	
% Var	-22%	-10%	-49%	-15%	-32%	-11%	-4%	
% of Voted Expenditure	1%	0%	0%	0%	0%	0%	0%	1%

Change in Gross Allocation 2014-2019	**5,126**	146%

Subhead C6 – Adoption Authority of Ireland

The Adoption Authority of Ireland has responsibility for the operational implementation of legislation and Government policy relating to adoption. It aims to achieve the highest standard in the regulation and operation of adoption services in Ireland.

Figure 1.22: Subhead C6 – Adoption Authority of Ireland: Gross Voted Expenditure 2012 – 2019

Adoption Authority of Ireland €000	2012	2013	2014	2015	2016	2017	2018	2019
Allocation	3,300	2,648	2,594	2,885	3,328	3,840	4,192	4,913
Outturn	2,265	2,895	2,990	3,147	3,401	3,384	3,907	-
Annual Variance	**- 1,035**	**247**	**396**	**262**	**73**	**- 456**	**- 285**	
% Var	-31%	9%	15%	9%	2%	-12%	-7%	
% of Voted Expenditure	1%	1%	0%	0%	0%	0%	0%	0%

Change in Gross Allocation 2014-2019	**2,319**	89%

Subhead C7 – Office of the Ombudsman for Children

The Office of the Ombudsman for Children investigates complaints about services provided to children and young people by public organisations and promotes the rights and welfare of children and young people.

Figure 1.23: Subhead C7 – Office of the Ombudsman for Children: Gross Voted Expenditure 2012 – 2019

Office of the Ombudsman for Children €000	2012	2013	2014	2015	2016	2017	2018	2019
Allocation	2,112	1,888	1,888	1,949	2,154	2,360	2,633	2,747
Outturn	2,000	1,888	1,888	1,650	1,800	2,150	2,435	-
Annual Variance	**- 112**	**-**	**-**	**- 299**	**- 354**	**- 210**	**- 198**	
% Var	-5%	0%	0%	-15%	-16%	-9%	-8%	
% of Voted Expenditure	0%	0%	0%	0%	0%	0%	0%	0%

Change in Gross Allocation 2014-2019	**859**	45%

Subhead C.8 – Commission of Investigation

The Commission of Investigation into Mother and Baby Homes is tasked with examining the experience of mothers and children resident in Mother and Baby Homes and a representative sample of County Homes.

Figure 1.24: Subhead C8 – Commission of Investigation: Gross Voted Expenditure 2012 – 2019

Commision on Mother & Baby Homes €000	2012	2013	2014	2015	2016	2017	2018	2019
Allocation	-	-	1	6,000	6,000	6,017	3,257	3,872
Outturn	-	-	-	1,676	2,318	2,693	2,987	-
Annual Variance	**-**	**-**	**- 1**	**- 4,324**	**- 3,682**	**- 3,324**	**- 270**	
% Var			-100%	-72%	-61%	-55%	-8%	
% of Voted Expenditure	0%	0%	0%	1%	1%	0%	0%	0%

Change in Gross Allocation 2014-2019	**3,871**	387100%

Appropriation Account 2017

The 2017 gross funding allocation for the provision of services under Vote 40 - Children and Youth Affairs amounted to €1.311 billion. This consisted of €1.285 billion in current expenditure and €25.6 million in capital expenditure. In addition, a deferred surrender of €1.6m in capital funding from 2016 was available in 2017.

The net funding for the Department amounted to €1.286 billion when Appropriations-in-Aid receipts are taken into account. The allocation included financial provisions for a range of key services in respect of children and young people including:

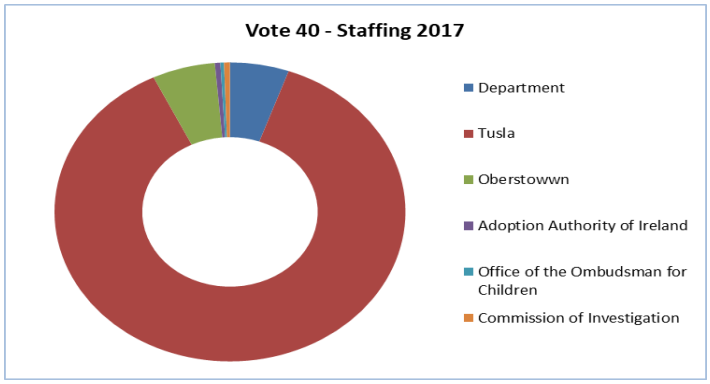
- €713 million for Tusla, the Child and Family Agency, representing an increase of €37 million (5.5%) over the 2016 allocation;
- €465 million for Early Years Care and Education, representing an increase of €120m (35%) over the 2016 allocation;
- €60 million to support the provision of youth services throughout the country including services for young people at risk of disadvantage and representing an increase of €5.5m (10%) over the 2016 allocation;
- €26 million to meet operational costs associated with the management of the Oberstown Children Detention Campus, representing an increase of €3 million (13%) over the 2016 allocation;
- €14.6 million to meet the operational costs of the Department itself representing an increase of over €2 million (18%) over the 2016 allocation;
- just under €6 million towards the Area Based Childhood Programme to support the continued operation of existing sites and representing an increase of €2 million (59%) over the 2016 allocation;
- just over €5 million towards the Intervention Programme for Children and Young People which supports a number of specific measures to support children and disadvantaged young people through the Dormant Accounts Fund and representing an increase of €0.6 million (12%) over the 2016 allocation;
- just under €5 million to progress *Growing Up in Ireland* - the National Longitudinal Study of Children in Ireland representing an increase of €1.5 million (46%) over the 2016 allocation;
- just under €4 million to the Adoption Authority of Ireland to support it in the fulfilment of its statutory responsibilities representing an increase of €0.5m (15%) over its 2016 allocation; and

- just over €2 million to the Office of the Ombudsman for Children to support it in the fulfilment of its statutory responsibilities representing an increase of €0.2m (9%) over its 2016 allocation.

Staffing Levels across the Vote

At the end of 2017 there were 4,224 whole time equivalent employees under the auspices of the Vote. The majority (88%) are employed with Tusla. The Department's staffing accounted for just over 5% of total employees.

Figure 1.25: Staffing Levels



Vote 40 Staff Numbers (WTE)	Dec-14	Dec-15	Dec-16	Dec-17	Dec-18	Mar-19
Department	145	149	178	230	267	268
Tusla	3,453	3,460	3,597	3,696	3,893	3,955
Oberstown	234	215	248	245	239	246
Adoption Authority of Ireland	22	22	24	22	27	27
Office of the Ombudsman for Children	10	11	14	14	21	20
Commission of Investigation	-	10	22	23	19	18
Total	**3,863**	**3,867**	**4,082**	**4,229**	**4,466**	**4,534**

Net Expenditure for 2017

The net expenditure for 2017 amounted to €1.229 billion which reflects 95% of net allocation and resulted in a €58.704 million surplus that was returned to the Exchequer.

The appropriation account for the Vote was audited by the Comptroller and Auditor General under section 3 of the Comptroller and Auditor General (Amendment) Act 1993 and the opinion stated was that the appropriation account:

- properly presents the receipts and expenditure of Vote 40 Children and Youth Affairs for the year ended 31 December 2017; and

- had been prepared in the format prescribed by the Minister for Public Expenditure and Reform.

Programme A – Children and Family Support Programmes

Allocation	€742.7 million
Outturn	€739.6 million.
Variance (Underspend)	€ 3.1 million (0.4% of allocation)

Overall, the expenditure in relation to Programme A was €3.1 million lower than originally provided. The main area of underspend related to subhead A4: Youth Justice – Children Detention Campus. This was due primarily to lower than anticipated capital expenditure due to a delay in the finalisation of the Oberstown Campus final account. There was also a saving associated with pay and non-pay costs of employees in the Department under Programme A.

Figure 1.26: Programme A Outturn 2017

			2017	2016
		Estimate provision	Outturn	Outturn
		€000	€000	€000
A.1	Administration – pay	3,359	2,811	2,448
A.2	Administration – non pay	574	344	279
A.3	Child and Family Agency	712,895	712,693	678,996
A.4	Youth Justice – Children Detention Campus	25,860	23,743	22,869
		742,688	**739,591**	**704,592**

Programme B - Sectoral Programmes for Children and Young People

Allocation	€541.2 million
Outturn	€488.4 million.
Variance (Underspend)	€ 52.8 million (9.7% of allocation)

Overall, the expenditure in relation to Programme B was €52.8 million lower than originally provided. The main area of underspending occurred under the early learning and care subheads (€49.4m). Subhead B6: Youth organisations and services exceeded their allocation (€2.3m). This related to additional approved funding provided for the purchase of equipment and/or minor premises improvement for smaller youth clubs across the country and was met from within the overall Programme B allocation.

Figure 1.27: Programme B Outturn 2017

			2017		2016
			Estimate provision	Outturn	Outturn
			€000	€000	€000
B.1	Administration – pay		3,359	3,173	2,581
B.2	Administration – non pay		574	334	286
B.3	ECCE pre-school year programme		329,500	297,136	223,751
B.4	General childcare programmes				
	Current year provision	126,158			
	Deferred surrender	1,640			
			127,798	112,758	74,755
B.5	Childcare initiatives (cash-limited)		8,363	6,339	6,462
B.6	Youth organisations and services (part funded by the National Lottery)		60,395	62,747	53,607
B.7	Area based childhood programme		5,800	4,183	3,650
B.8	Intervention programmes for children and young people (Dormant accounts funded)		5,166	1,098	1,545
B.9	Programme for Peace and Reconciliation		281	584	---
			541,236	**488,352**	**366,637**

ECCE preschool year programme

The shortfall in expenditure of €32.364 million was primarily due to a shortfall on the main ECCE scheme (€21.164 million) and the Better Start Access and Inclusion Model (AIM) scheme (€10.2 million).

Historically provision was made under ECCE for 95% take-up rates. In 2017, changes were made to the scheme, including a three point entry system, and provision was made for a potential 100% take-

up rate. The actual take-up rate was only 94% which mirrors previous years. This was further affected by an overestimation of enrolments in the final intake point at April 2017. Provision was made for 15,444 enrolments in April 2017 but only 8,404 took place.

The lower than expected enrolments in the ECCE scheme also had an impact on the expenditure on the AIM scheme. The shortfall in ECCE enrolments led to a decreased engagement in AIM by pre-school providers and parents, with lower than anticipated initial demand for equipment, and a shortfall in expected capitation payments in relation to the Inclusion Coordinators. In addition, due to delays in developing training under AIM level 3, the recruitment of additional training specialists was deferred until 2018.

General childcare programmes

The shortfall in expenditure of €15.04 million primarily arose due to lower than expected participation across the demand-led Community Childcare Subvention (CCS) and Community Education Training Supports (CETS) programmes in the period January to July 2017. The targeted number of unique registrations for CCS was 30,000 with only 25,530 registrations taking place (€13.04 million). Similarly, the targeted number of unique registrations for CETS was 5,100 with 4,032 taking place (€2 million).

Childcare initiative (cash limited)

The shortfall in expenditure of €2.024 million was primarily due the delay in the introduction of the Affordable Childcare Scheme (ACS) resulting in reduced development and support funding required in 2017.

Area based Childhood Programme

The shortfall in expenditure of €1.617 million was primarily due to the ABC sites requiring less Exchequer funding due to access to residual co-funding from Atlantic Philanthropies.

Intervention programmes for children and young people (Dormant accounts funded)

The shortfall in expenditure of €4.068 million relative to the estimate provision was due primarily to the Quality and Capacity Building Initiative (QCBI). The consultation process necessary to ensure that the learning from the original ABC initiative and similar programmes is mainstreamed into established areas of policy and service provision is taking longer than expected and projects and payments under QCBI had to be deferred.

Programme for Peace and Reconciliation

The excess expenditure of €0.303 million was due to unexpected demands placed on the Special EU Programmes Body (SEUPB) by projects in 2017. This was the first year in which SEUPB began making payments under the Children and Young People programme. The additional expenditure was used to support the 'Children and Young People Priority Objective' under the EU Programme.

Programme C - Policy and Legislation Programme

Allocation	€28.7 million
Outturn	€22.0 million.
Variance (Underspend)	**€ 6.7 million** (23.3% of allocation)

Overall, the expenditure in relation to Programme C was €6.7 million lower than originally provided. Subhead C8: Commission of Investigation accounted for €3.3m of this with every other subhead area showing some underspend.

Figure 1.28 Programme C Outturn 2017

		2017		2016
		Estimate provision	Outturn	Outturn
		€000	€000	€000
C.1	Administration – pay	5,722	5,064	4,332
C.2	Administration – non pay	981	865	732
C.3	Miscellaneous legal fees and settlements	889	59	—
C.4	National Longitudinal Study and other research programmes	4,783	4,135	1,470
C.5	Children's and young people's policy framework and other programmes	4,160	3,691	3,146
C.6	Adoption Authority of Ireland	3,840	3,384	3,401
C.7	Office of the Ombudsman for Children	2,360	2,150	1,800
C.8	Commission of Investigation	6,017	2,693	2,318
		28,752	**22,041**	**17,199**

Miscellaneous legal fees and settlements

The shortfall in expenditure of €0.74m was due to the liability relating to costs associated with the Children's Referendum not yet being determined.

National Longitudinal Study and other research programmes

The shortfall in expenditure of €0.6m was due to a revision in the schedule of payments for fieldwork undertaken by the ESRI under the National Longitudinal Study (-€0.4m) and delays in other studies due to a delay in the filling of a researcher post (-€0.2m).

Children's and young people's policy framework and other programmes

The shortfall in expenditure of €0.5m was due to underspends in a number of areas but principally relating to Children First projects (-€0.2m), CES (-€0.1m) and ELearning Tusla (-€0.1m) not being required.

Adoption Authority of Ireland
The shortfall in expenditure of €0.4m was due to expected costs associated with information and tracing not materialising as well as slower than anticipated recruitment.

Office of the Ombudsman for Children
The shortfall in expenditure of €0.2m was due principally to slower than anticipated recruitment.

Commission of Investigation
The shortfall in expenditure of €3.3m was due to lower than anticipated costs of the Commission's work. The Commission, which was established in 2015, has had its term extended, within its overall original budget.

Administrative Budget 2017

The Department had 230 whole-time equivalent staff at the end of December 2017 and had an allocation of €14.6 million for its day to day business administration. This was split between salaries, wages and allowances (85%) and day-to-day administration (15%). The outturn for 2017 was €12.6m representing a saving of €2.0 million.

The Departmental administrative budget represents just 1% of the overall allocation to the Vote.

The shortfall in expenditure was primarily due to lower costs associated with salaries, wages and allowances (€1.4m) as a result of slower than anticipated recruitment levels. This had a consequential knock-on to associated non-pay costs.

Figure 1.29 Administrative Budget Outturn 2017

		2017		2016
		Estimate provision	Outturn	Outturn
		€000	€000	€000
i	Salaries, wages and allowances	12,440	11,048	9,361
ii	Travel and subsistence	238	136	112
iii	Training and development and incidental expenses	577	370	288
iv	Postal and telecommunications services	186	160	112
v	Office equipment and external IT services	326	310	188
vi	Office premises expenses	526	419	528
vii	Consultancy and other services	276	149	69
		14,569	**12,592**	**10,658**

Appropriations-in-Aid

Forecast	€25 million
Received	€21 million.
Variance (Under receipt)	€ 4 million (16% of forecast)

Appropriations-in-aid are receipts that, under section 2 of the Public Accounts and Charges Act 1891, may be used to meet expenditure to the extent authorised by the annual Appropriation Act. In general, these are receipts arising in the normal course of a department's business under the Vote.

Figure 1.30 Administrative Budget Outturn 2017

		2017		2016
		Estimated	Realised	Realised
		€000	€000	€000
1	Superannuation scheme – Child and Family Agency	9,070	8,723	8,723
2	Superannuation scheme - non-teaching staff of Oberstown Children Detention Campus	550	551	536
3	Superannuation scheme – Adoption Authority of Ireland	1	—	—
4	Superannuation scheme – Office of the Ombudsman for Children	2	—	—
5	Miscellaneous	874	789	974
6	Dormant accounts funding	5,166	1,098	1,545
7	Receipts from pension-related deduction on public service remuneration	9,349	9,863	10,229
	Total	**25,012**	**21,024**	**22,007**

Miscellaneous

The shortfall of €0.085 million was due primarily to Tusla's miscellaneous receipts, which are variable in nature, being lower than anticipated (€0.112 million variance).

Dormant accounts funding

The shortfall of €4.068 million was due primarily to the Quality and Capacity Building Initiative (QCBI) (€3 million) consultation process taking longer than expected in 2017, leading to expenditure being lower than expected, which in turn resulted in lower receipts.

Receipts from pension-related deduction on public service remuneration

The excess of €0.514 million was due in the main to receipts from Tusla (€0.439 million variance) due to additional staffing levels.

Circular 40/02 Declaration

The Accounting Officer identified 5 contracts or purchases of more than €25,000 undertaken without a competitive process during 2017 totalling €1.0 million. The value of these contracts ranged from €31,487 to €775,000.

- Two of these contracts related to work in Oberstown Detention Campus which necessitated rapid and specialist solutions. These accounted for 80% of the total monetary declaration.
- One related to an Expert Technical Group required for specialist work in relation to the confirmation of human remains at the Tuam site in Co. Galway. This accounted for 12% of the total monetary declaration.
- One contract related to the delivery of a 'Train the Trainer' programme under AIM. A preferred provider was selected due to their knowledge and expertise of the specialist area. This accounted for 4% of the total monetary declaration.
- One related to the urgent purchase of 25 laptops for staff of the Department who had to move to another premises and to also cater for additional staff due to the Department. The existing contract had exhausted and the Department was in the middle of preparing a new Service Request for Tender (SRFT) under an Office of Government Procurement (OGP) Framework. This accounted for 3% of the total monetary declaration.

Internal Financial Control Issues

The Accounting Officer identified a number of areas in his *Statement on Internal Financial Control* which forms part of the Appropriation Account for the Vote and where improvements to the Department's control processes are required.

Area	Issue	Current Status
Control over payments to education and training boards	An internal audit report in March 2017 identified weaknesses in control over payments to ETBs.	This was an administrative error and involved the full annual payment instead of a quarterly payment. The Department has improved its control over payment authorisations to ensure that such an error should not recur. There have been no similar occurrences since.
Control over early years childcare programmes	In 2017, the Department provided significant to a variety of early years childcare programmes via Pobal. In 2017 and in previous years the	The Department has worked intensively with grantees to address non-compliance issues. Most recently, it has recouped funding and prevented further

	adequacy of controls over these schemes was a cause of concern. The issues of concern related to: • Pobal verification checks showing 14% of contracts reviewed as major non-compliant; • Implementing recommendations from a 2017 review on CCS grantee governance • Low recovery potential for circa €1m of overpayments.	over-claims in a number of instances. The rules and contracts for the schemes have been strengthened and clarified, and the Department has developed and implemented a detailed revised compliance framework. As an interim measure, Pobal has provided a *Managing Better* set of documents on good governance to relevant providers. Compliance visits to providers have focused on the schemes representing the highest risk to Exchequer funding. The over-claim issue has been concentrated in the CCS and associated targeted schemes, and these will be replaced by the new National Childcare Scheme (NCS) at the end of 2019. The NCS has 'designed in' much stronger compliance processes which will greatly reduce the risk of over-claims. The funding in this category relates principally to historic schemes, amounting to €1.2m the Equal Opportunities Childcare Programme (2000-2010) and the National Childcare Investment Programme (2006-2010). The balances, mostly capital, are likely to be irrecoverable either because the organisations are insolvent or due to the low level of each individual debt.
Control over funding provided under the Youth Services Grant Scheme	An internal audit report (2017) of the Youth Services Grant Scheme identified weaknesses in the operation of the scheme and recommended improvements to the Department's procedures across a number of specific areas.	Significant progress has been made including: • tighter compliance procedures with a new Compliance Unit in the Department; • revised and more detailed documentation to enable close examination of actual

		outputs against original application; • detailed verification visits by Pobal of a minimum of 5% of the total fund each year; • formal governance and oversight meetings between the Department and the top five funded organisations (representing approximately 70% of the fund). An updated Internal Audit report due to be published shortly reviews the progress made since 2017 and is expected to identify significant improvements made.

Control over petty cash	The audit of the 2015 Appropriation Account identified weaknesses in the Department's controls over petty cash. An unreconciled balance of €18,902 was identified and transferred to a suspense account pending completion of Internal Audit (IA) investigations.
	
	The matter was discussed at DCYA Management Board level, and after input from the IA and Finance units, a decision was taken to write off the unreconciled balance. DPER approval was sought and granted for the write off and it was noted in the Appropriation Account for 2017.
		Significant progress with regard to petty cash usage and governance has been made.
		
		• Petty cash policies and procedures have been reviewed and improved including:
		  ○ A separate petty cash bank account has been introduced and is reconciled on a monthly basis;
		  ○ Two Finance Unit officers who are unconnected with the petty cash processes perform periodic checks on the internal controls in place
		  ○ Petty cash balances held by the Department reduced from €18,902 at the end of 2015 to €615 at end 2018 – a reduction of 97%.
		
		An updated Internal Audit acknowledges the progress made in relation to petty cash

		controls and governance
Superannuation issue	The audit of the 2016 financial statements for the Adoption Authority of Ireland noted that since 2013, it had been paying pension costs of seconded staff in error to the Department who then forwarded the contributions to DPER.	This was as a result of a misinterpretation of a Department of Finance Circular on secondment arrangements relating to civil service staff. There was no loss of exchequer funding involved and the matter has been fully addressed and is no longer an issue.
Theft of 'honesty box' coffee funds	In late 2017, a departmental official reported to line management that approx. €3,000 paid by staff on an 'honesty' basis for coffee (Nespresso pods) had gone missing. While the honesty-box cash was supposed to be regularly transferred into the department's bank account, no payments had been made between May and December 2017.	The matter was fully investigated internally and by Internal Audit. The matter was also reported to An Garda Síochána. Improved accounting and security controls for the cash arrangements were immediately put in place. The practice of staff making voluntary contributions has ceased since the relocation of the Department to Miesian Plaza and the introduction of a fully serviced canteen facility available to staff.

Appendix 1 - Annual Report 2017

The Department's Annual Report for 2017 is attached as an appendix to this Briefing Note. The Annual Report sets out the Department's Strategic Objectives during 2017, a review of activities during the year and some additional detail on the various elements of the Department's Programmes.