

NATIONAL COUNCIL FOR SPECIAL EDUCATION

AN CHOMHAIRLE NÁISIÚNTA UM OIDEACHAS SPEISIALTA

Report and Financial Statements

For year ending 31st of December 2013

National Council for Special Education

Report and Financial Statements

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National Council for Special Education

Information

Members of the Council of the National Council for Special Education appointed for three year term running to 31st December 2015:

Mr Eamon Stack (Chairperson)

Mr Pat Kinsella (Deputy Chairperson)

Ms Maureen Costello

Mr Mick Coughlan

Professor Sheelagh Drudy (appointed 11 September 2013)¹

Ms Jenny Ennis

Ms Eithne Fitzgerald

Ms Mary Friel

Ms Helen Guinan

Professor Mark Morgan (resigned 11 September 2013)

Mr Johnny Murphy

Mr Philip O'Callaghan

Mr James O'Grady

Ms Joan Russell

Chief Executive:

Ms Teresa Griffin

¹ The term of appointment of the new member Professor Drudy runs to end December 2015

National Council for Special Education
Report of the Comptroller and Auditor General



Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

National Council for Special Education

I have audited the financial statements of the National Council for Special Education for the year ended 31 December 2013 under the Education for Persons with Special Educational Needs Act 2004. The financial statements, which have been prepared under the accounting policies set out therein, comprise the statement of accounting policies, the income and expenditure account, the balance sheet, the cash flow statement and the related notes. The financial statements have been prepared in the form prescribed under Section 29 of the Act, and in accordance with generally accepted accounting practice in Ireland.

Responsibilities of the Members of the Council

The Council is responsible for the preparation of the financial statements, for ensuring that they give a true and fair view of the state of the Council's affairs and of its income and expenditure, and for ensuring the regularity of transactions.

Responsibilities of the Comptroller and Auditor General

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

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

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

Scope of audit of the financial statements

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

- whether the accounting policies are appropriate to the Council's circumstances, and have been consistently applied and adequately disclosed
- the reasonableness of significant accounting estimates made in the preparation of the financial statements, and
- the overall presentation of the financial statements.

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

Opinion on the financial statements

In my opinion, the financial statements, which have been properly prepared in accordance with generally accepted accounting practice in Ireland, give a true and fair view of the state of the Council's affairs at 31 December 2013 and of its income and expenditure for 2013.

In my opinion, proper books of account have been kept by the Council. The financial statements are in agreement with the books of account.

Matters on which I report by exception

I report by exception if

- I have not received all the information and explanations I required for my audit, or
- my audit noted any material instance where money has not been applied for the purposes intended or where the transactions did not conform to the authorities governing them, or
- the statement on internal financial control does not reflect the Council's compliance with the Code of Practice for the Governance of State Bodies, or
- I find there are other material matters relating to the manner in which public business has been conducted.

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

Patricia Sheehan

For and on behalf of the
Comptroller and Auditor General

30 June 2014

National Council for Special Education

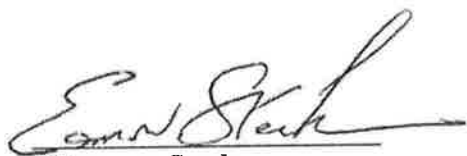
Statement of Responsibilities of the Council

The National Council for Special Education (NCSE) was established under the Education for Persons with Special Educational Needs Act 2004 and the Act requires the NCSE to keep proper accounts of all income and expenditure of the NCSE, and of the sources of such income and the subject matter of such expenditure, and of the property, credits and liabilities of the NCSE. In preparing these financial statements in accordance with best practice the Council is required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the National Council for Special Education will continue in operation.

The Council is also responsible for safeguarding the assets of the NCSE and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

On behalf of the Council:



Mr Eamon Stack
Chairperson



Ms Teresa Griffin
Chief Executive

30 June 2014

30 June 2014

National Council for Special Education

Statement on Internal Financial Control

Responsibility for the System of Internal Financial Control

On behalf of the members of the Council of the National Council for Special Education, I as chairman acknowledge responsibility for ensuring that an effective system of internal financial control is maintained and operated.

The system can only provide reasonable, and not absolute, assurance that the assets are safeguarded, transactions authorised and properly recorded, and that material errors or other irregularities are either prevented or would be detected in a timely period.

Key control procedures

The Council has taken steps to ensure an appropriate control environment by:

- ensuring the NCSE complies with its financial obligations under the Act
- clearly defining management responsibilities in a defined organisational structure with clear segregation of duties
- developing and implementing appropriate control procedures
- establishing appropriate committees of the Council to give greater focus on specific areas
- establishing an internal audit function and
- establishing processes to identify and evaluate business risks

The system of internal financial control is based on a framework, which aims to provide regular management information, administrative procedures (including segregation of duties, authorisation limits and a documented procedures manual), and a system of delegation and accountability. In particular it includes:

- a comprehensive budgeting system with an annual budget, which is reviewed and agreed by the Council prior to presentation to the Department of Education and Skills;
- an operational budget agreed by the Council based on prescribed budget limits set by the Department of Education and Skills;
- detailed review by the Executive and the Council of monthly and period to date financial reports which indicate financial performance against budget;
- regular review by the Executive and the Council of financial reports and key operational indicators and
- clearly defined procurement and tendering guidelines.

National Council for Special Education

Statement on Internal Financial Control

The Council appointed audit committee reviews the annual financial statements and oversees the effective implementation of the internal audit function and any issues arising in connection with external audit. In 2013 an internal audit review of the system of internal financial control was conducted. The review report was submitted to the audit committee which reported to Council at its 79th meeting in December 2013. Council agreed that reasonable assurance can be taken from the sufficiency of these controls.

The Council has also appointed a finance committee which reviews the preparation of draft budgets, the implementation of the agreed operational budget, examines accounts and reviews financial controls. It also reviewed these financial statements and advised its view to the audit committee.

The Council's monitoring and review of the effectiveness of the system of internal financial control is informed by the audit committee, the internal audit function and the Executive management team.

Annual Review of Controls

I confirm that in respect of the year ended 31 December 2013 the Council conducted a review of the effectiveness of the system of internal financial control.

Signed on behalf of the Council:



**Mr Eamon Stack
Chairperson
National Council for Special Education**

30 June 2014

National Council for Special Education

Statement of Accounting Policies

1. Basis of Accounting

The financial statements are prepared on the accruals basis of accounting in accordance with generally accepted accounting principles and under the historical cost convention and comply with the financial reporting standards of the Accounting Standards Board.

2. Accounting Period

The Financial Statements cover the year 1 January 2013 to 31 December 2013.

3. Income

Income is on a cash receipts basis and represents the amount paid directly to the NCSE by the Department of Education and Skills for the year by way of grant in accordance with Section 43 of the Education for Persons with Special Educational Needs Act 2004.

4. Tangible Fixed Assets

Tangible fixed assets are stated at cost less accumulated depreciation. Depreciation is provided on a straight line basis at rates which are estimated to write off the cost of the assets over their expected useful lives as follows:

Furniture & fittings	10 years	Computer Equipment	5 years
Office Equipment	5 years	Leasehold Refurbishment	19 years
Computer Software	3 years		

NCSE policy on procurement and disposal of NCSE fixed assets is set out in its Financial Policies and Procedure Manual which is in line with Department of Finance circulars, the Public Financial Procedures and the Code of Practice for Governance of State Bodies.

5. Capital Account

The Capital Account represents the unamortised value of the income used to finance fixed assets.

6. Pensions

Section 25 (5) of the Act, provides that staff of the National Council for Special Education are civil servants. The Civil Service Superannuation Schemes are defined benefit schemes which are unfunded and administered by the Department of Public Expenditure and Reform. There is no charge in the financial statements for any liabilities which may arise in respect of these staff.

NCSE staff who are seconded from other public sector organisations continue in membership of the pension scheme appropriate to the employment from which they are seconded and recoupment arrangements are in accordance with the redeployment scheme as agreed by the Department of Public Expenditure and Reform. The NCSE had one staff member seconded to it in 2013.

National Council for Special Education

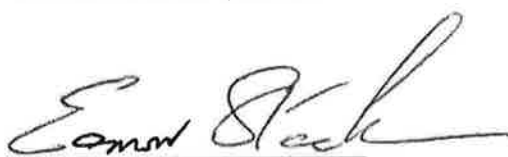
Income and Expenditure Account for the year ended 31 December 2013

	Notes	2013 €	2012 €
State Grant	1	8,020,000	8,222,000
Transfer (to) / from Capital Account	9	(35,041)	39,292
Other Income	2	<u>58</u>	<u>223</u>
		7,985,017	8,261,515
Expenditure	3	<u>(8,050,336)</u>	<u>(8,361,497)</u>
Deficit		(65,319)	(99,982)
Surplus as at 1 January		<u>7,767</u>	<u>107,749</u>
(Deficit) / Surplus as at 31 December	13	<u>(57,552)</u>	<u>7,767</u>

There were no other recognised gains or losses in the year, other than those dealt with in the Income and Expenditure Account.

The Statement of Accounting Policies and notes 1 to 16 form part of these financial statements.

On behalf of the Council:



Mr Eamon Stack
Chairperson



Ms Teresa Griffin
Chief Executive

30 June 2014

30 June 2014

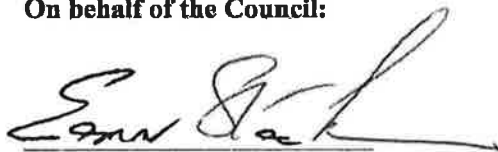
National Council for Special Education

Balance Sheet as at 31 December 2013

	Notes	2013 €	2012 €
FIXED ASSETS			
Tangible assets	6	576,819	541,778
CURRENT ASSETS			
Debtors & Prepayments	7	43,849	72,461
Cash on Hand		<u>9,076</u>	<u>53,420</u>
Total Current Assets		52,925	125,881
CREDITORS			
Amounts falling due within one year	8	<u>110,477</u>	<u>118,114</u>
NET CURRENT LIABILITIES / ASSETS		(57,552)	7,767
Total assets less current liabilities		<u>519,267</u>	<u>549,545</u>
FINANCED BY			
Accumulated (deficit) / surplus	13	(57,552)	7,767
Capital Account	9	<u>576,819</u>	<u>541,778</u>
Total Capital		<u>519,267</u>	<u>549,545</u>

The Statement of Accounting Policies and notes 1 to 16 form part of these financial statements.

On behalf of the Council:



Mr Eamon Stack
Chairperson



Ms Teresa Griffin
Chief Executive

30 June 2014

30 June 2014

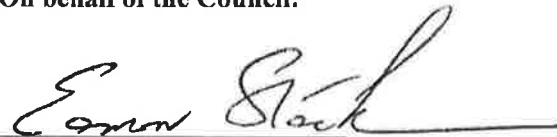
National Council for Special Education

Cashflow Statement for the year ended 31 December 2013

	Notes	2013 €	2012 €
Reconciliation of operating surplus to net cash inflow from operating activities			
Operating deficit for year		(65,319)	(99,982)
Depreciation	6	112,063	100,309
Loss on disposal of fixed assets	6	-	859
Transfer to Capital Account	9	35,041	(39,292)
Interest Earned		-	(153)
Decrease / (increase) in debtors		28,612	(46,016)
(Decrease) / increase in creditors		<u>(7,637)</u>	<u>(546,979)</u>
Net cash outflow from operating activities		102,760	(631,254)
Returns on Investment and Servicing of Finance			
Interest Received		-	153
Net Capital Expenditure			
Payments to acquire tangible fixed assets	6	<u>(147,104)</u>	<u>(61,876)</u>
Decrease in cash		<u>(44,344)</u>	<u>(692,977)</u>
 RECONCILIATION OF NET CASHFLOW TO MOVEMENT IN NET FUNDS			
Net funds at 1 January		53,420	746,397
Net funds at 31 December		<u>9,076</u>	<u>53,420</u>
Decrease in cash		<u>(44,344)</u>	<u>(692,977)</u>

The Statement of Accounting Policies and notes 1 to 16 form part of these financial statements.

On behalf of the Council:



 Mr Eamon Stack
 Chairperson



 Ms Teresa Griffin
 Chief Executive

30 June 2014

30 June 2014

National Council for Special Education

Notes (forming part of the financial statements)

1. INCOME	2013 €	2012 €
The Department of Education and Skills made the following funds available to the Council:		
Grant to the Council (Vote 26 - Subhead: A11.5 Pay & Non Pay)	<u>8,020,000</u>	<u>8,222,000</u>
2. OTHER INCOME	2013 €	2012 €
Bank interest	-	153
Freedom of Information	45	70
Data Protection fees	<u>13</u>	<u>-</u>
	<u>58</u>	<u>223</u>
3. EXPENDITURE	2013 €	2012 €
Printing, postage and stationery	116,841	105,908
Rent and rates	374,119	391,191
Telephone	200,954	220,854
Light and heat	49,066	46,624
Repairs and maintenance	89,786	122,194
Training and development	27,899	40,551
Travel and subsistence expenses	229,556	223,283
Meeting expenses	18,888	29,788
General expenses	4,134	3,290
Research expenditure	249,881	335,275
IT expenses	193,045	200,415
Outsourced Services & Consultancy fees	14,010	16,103
Internal Audit fee	15,263	14,866
External Audit fee	11,280	11,280
Accountancy fees	10,630	14,954
Legal Fees	855	2,694
Wages and salaries (Note 4)	5,860,081	6,000,004
Employers PRSI	471,985	481,055
Loss on disposal of fixed assets	-	859
Depreciation	<u>112,063</u>	<u>100,309</u>
Total Expenditure	<u>8,050,336</u>	<u>8,361,497</u>

National Council for Special Education

Notes (forming part of the financial statements)

4. WAGES AND SALARIES

Government policy in relation to the pay of the chief executive and all state body employees is being implemented. The number of staff employed by the Council at year end 2013 was 101, made up of 9 Senior Special Educational Needs Organisers (SSENOs), 71 Special Educational Needs Organisers (SENOs) and 21 Head Office staff.

Expenditure on salaries for SSENOs and SENOs amounted to €4,562,638 and Head Office staff salaries to €1,297,443 giving a total of €5,860,081. Superannuation contributions of €286,895 were deducted from staff salaries and remitted to the Department of Finance. In addition, pension levy deductions of €405,066 were made from staff salaries and remitted to the Department of Education & Skills.

5. EXPENSES, DIRECTORS FEES AND CEO REMUNERATION

There were no fees paid in 2013 to individual council members. The total paid for travel & subsistence expenses claimed by the board members in 2013 was €23,378 (2012: €13,096).

The Chief Executive Officer (CEO) is a civil service Assistant Secretary General. Total annual salary paid to the CEO in 2013 was €133,364 (2012: €131,570). The CEO is a member of the superannuation scheme for Established Civil Servants and pension entitlements do not extend beyond the standard entitlements of the scheme – see also Note 6 of NCSE Statement of Accounting Policies.

6. FIXED ASSETS

Cost	Leasehold Refurbishment €	Office Equipment €	Furniture €	Computer Equipment €	Computer Software €	Total €
At 31 December 2012	610,351	59,970	265,840	520,644	340,095	1,796,901
Additions	-	1,009	3,411	91,565	51,120	147,104
At 31 December 2013	<u>610,351</u>	<u>60,979</u>	<u>269,251</u>	<u>612,209</u>	<u>391,215</u>	<u>1,944,005</u>
Accumulated Depreciation						
At 31 December 2012	256,990	50,451	169,126	438,533	340,024	1,255,124
Charge for the year	<u>32,124</u>	<u>4,786</u>	<u>27,438</u>	<u>37,153</u>	<u>10,562</u>	<u>112,063</u>
At 31 December 2013	<u>289,114</u>	<u>55,237</u>	<u>196,564</u>	<u>475,686</u>	<u>350,586</u>	<u>1,367,187</u>
Net Book Value						
At 31 December 2012	<u>353,361</u>	<u>9,519</u>	<u>96,714</u>	<u>82,111</u>	<u>71</u>	<u>541,778</u>
At 31 December 2013	<u>321,237</u>	<u>5,742</u>	<u>72,687</u>	<u>136,523</u>	<u>40,629</u>	<u>576,818</u>

National Council for Special Education

Notes (forming part of the financial statements)

7. DEBTORS AND PREPAYMENTS	2013 €	2012 €
Prepayments	28,255	56,776
OPW	14,818	13,229
Other Payroll Deductions	776	2,456
	<u>43,849</u>	<u>72,461</u>
8. CREDITORS	2013 €	2012 €
Supplier Creditors	14,323	6,538
VAT Payable	461	10,539
PSWT	-	22,595
Accruals	<u>95,693</u>	<u>78,442</u>
	<u>110,477</u>	<u>118,114</u>
9. CAPITAL ACCOUNT	2013 €	2012 €
Opening Balance	541,778	581,070
Income used to acquire Assets	147,104	61,877
Amortisation in line with asset depreciation	(112,063)	(100,309)
Amount released on the disposal of fixed assets	-	(859)
Transfer (to)/ from Income and Expenditure Account	35,041	(39,292)
Closing Balance	<u>576,819</u>	<u>541,778</u>

National Council for Special Education

Notes (forming part of the financial statements)

10. OPERATING LEASES

The NCSE operates a network of 34 offices throughout the State including its Headquarters in Trim, County Meath. The majority of offices are rented from Government funded entities. Three offices are operated through lease agreements* between the NCSE and commercial bodies.

The NCSE letting agreements with 3 commercial bodies:

- Lease 1 for 4 years 9 months expired in February 2013; however the accommodation is currently rented on a month to month basis while alternative accommodation is being sourced
- Lease 2 for 4 years 9 months commencing April 2010
- Lease 3 for 1 year commencing July 2013

The annual rental charged to the Income & Expenditure account for these lease agreements amounted to €29,413. The NCSE has the following annual commitments under operating leases which expire

	2013	2012
	€	€
within 1 year	10,078	8,993
during the years 2 to 5	16,638	16,635
expiring thereafter	-	-

*These agreements are not subject to rent reviews.

11. PREMISES

The NCSE occupies premises at 1-2 Mill Street, Trim, Co. Meath under a rental agreement with OPW. This agreement which commenced in 2004, is for a term of 20 years. In addition, the Council has rental agreements on 33 other properties in various locations nationally. The total annual rental charge included in the financial statements for 2013 is €374,119.

12. CONTINGENT LIABILITY

There are no contingent liabilities.

13. FUNDING POSITION

NCSE income is a grant from the Department of Education and Skills which is provided to meet liabilities maturing during the year, as opposed to expenditure incurred during the year. The current deficit will be met by future funding provided to the NCSE by the Department of Education and Skills.

National Council for Special Education

Notes (forming part of the financial statements)

14. POST BALANCE SHEET EVENTS

There were no significant post balance sheet events.

15. COUNCIL MEMBERS – DISCLOSURE OF INTERESTS

The Council has adopted procedures in accordance with the Department of Finance Code of Practice for the Governance of State Bodies in relation to the disclosures of interests of Council Members.

There were no payments to Council Members during 2013.

16. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Council on 26 March 2014.