

NATIONAL COUNCIL FOR SPECIAL EDUCATION
AN CHOMHAIRLE NÁISIÚNTA UM OIDEACHAS SPEISIALTA

Report and Financial Statements

For Year ending 31st of December, 2005

National Council for Special Education

Report and Financial Statements

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To the Minister for Education & Science

In accordance with the terms of Article 29(3) of the Education for Persons with Special Education Needs Act 2004, the National Council for Special Education (“the Council”) presents its Report and Accounts for the year ended 31 December 2005.

National Council for Special Education

Information

Members of the Council appointed from January 2007 for three year term of office:

Mr Sydney Blain (Chairperson)

Ms Siobhán Barron

Mr Christy Lynch

Mr Gearóid Ó Conluain

Ms Teresa Griffin

Mr Dermot Ryan

Prof Patricia Noonan Walsh

Dr Seamus Hegarty

Mr Rory O'Sullivan

Ms Caroline O'Brien

Ms Anita Dillon

Mr Tom O'Sullivan

Sr Maighread Ní Ghallchobhair

Chief Executive:

Mr Pat Curtin

National Council for Special Education

Report of the Comptroller and Auditor General

National Council for Special Education

Statement of Responsibilities of the Council

The National Council for Special Education was re-established under Article 19 of Education for Persons with Special Education Needs Act 2004 and the Act requires the Council to keep proper accounts of all income and expenditure of the Council, and of the sources of such income and the subject matter of such expenditure, and of the property, credits and liabilities of the Council. 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 Board will continue in operation.

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

On behalf of the Council:

Chairperson

Chief Executive

Date

National Council for Special Education

Statement on System of Internal Financial Control

Responsibility for the System of Internal Financial Control

On behalf of the members of the National Council for Special Education I acknowledge our 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 was established by Ministerial Order, under Section 54 of the Education Act 1998, and commenced on 24th December 2003 and was re-established by the Education for Persons with Special Educational Needs Act 2004 with effect from October 2005. The Council has taken steps to ensure an appropriate control environment by:

- ensuring the Council complies with its financial obligations under the Act
- ensuring that assets and liabilities of the Council are properly indemnified
- Clearly defining management responsibilities in a defined organisational structure with clear segregation of duties; and
- The establishment of appropriate committees of the Council to give greater focus on specific areas.

The Council has plans to identify and evaluate organisational risks by commissioning a risk assessment of the organisation in the near future which will:

- identify the significant strategic, operational, and financial risks of the organisation;
- assess the appropriateness and strength of management controls surrounding risk areas and
- highlight key risk areas for specific management attention and Internal Audit focus.

Following on from this process formal procedures will be formulated and implemented to facilitate the reporting of significant control failures and taking appropriate control action, including the establishment of an Internal Audit function.

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 Science;

National Council for Special Education

Statement on System of Internal Financial Control

- detailed review by the Executive and the Council of monthly and period to date financial reports which indicate financial performance against both budget and prior period;
- Regular review by the Executive and the Council of financial reports and key operational indicators and
- Clearly defined procurement, tendering and capital investment guidelines.

As noted above the Council intends to commission a risk review to assess the key risk areas and control weaknesses of the organisation, in accordance with Internal Audit Best Practice, as a first step in the establishment of a formal Internal Audit function. The findings and recommendations of this risk review will serve to form the basis of a cyclical internal audit plan to review in detail the key risks of the organisation.

The Council's monitoring and review of the effectiveness of the system of internal financial control is informed by the Executive management team who have responsibility for the development and maintenance of the financial control framework. Once in place, the Internal Audit function will also have a role to play in the monitoring and review of internal financial control effectiveness.

Annual Review of Controls

The Council has not conducted a review of the effectiveness of the system of internal financial control.

Signed on behalf of the Council:

Chairperson,
National Council for Special Education

_____ (Date)

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 2005 to 31 December 2005.

3. Income

The income represents the amount paid directly to the Council by the Department of Education and Science for the year and amounts paid by the Department of Education and Science on behalf of the Council for the year.

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 reduce the assets to realisable values by the end of their expected useful lives as follows:

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

*No depreciation was charged on the leasehold refurbishment in 2004 as the refurbishment was not completed. Refurbishment costs will be depreciated on a straight line basis to a nil value over nineteen years, being the remaining term of the leasehold agreement

5. Capital Account

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

6. Pensions

The EPSEN Act 2004, Section 25.5, 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 Finance. There is no charge in the financial statements for any liabilities which may arise in respect of these staff. Contributions deducted from salaries are remitted to the Department of Finance.

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. Amounts to cover the cost of pension provision including staff contributions are paid over to

the Department of Education and Science in respect of NCSE staff who are seconded primary, secondary, community and comprehensive teachers and who continue in membership of the teacher pension schemes; to VECs in respect of staff that are seconded VEC teachers; and to the Department of Education and Science for staff that are seconded civil servants of that Department.

National Council for Special Education

Income and Expenditure account for the year ended 31 December 2005

	Notes	2005 €	2004 €
Income			
State Grant	1	6,211,447	4,029,893
Transfer to Capital Account	7	(160,315)	(834,179)
		<hr/>	<hr/>
		6,051,131	3,195,714
Expenditure	2	<hr/>	<hr/>
		(6,576,087)	(2,763,523)
Surplus/Deficit of income over expenditure		<hr/>	<hr/>
		(524,956)	432,191

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

The results for the year relate to continuing operations.

The Statement of Accounting Policies and notes 1 to 9 form part of these financial statements.

On behalf of the Council:

Chairperson

Chief Executive

Date

Date

National Council for Special Education

Balance Sheet as at 31 December 2005

	Notes	2005 €	2004 €
FIXED ASSETS			
Tangible assets	4	<u>1,026,154</u>	<u>865,838</u>
CURRENT ASSETS			
Debtors & Prepayments	5	162,258	324,534
Cash on Hand		<u>576,827</u>	<u>427,477</u>
Total Current Assets		<u>739,085</u>	<u>752,011</u>
CREDITORS (amounts falling due within one year)	6	<u>831,850</u>	<u>319,820</u>
NET CURRENT ASSETS		<u>(92,765)</u>	<u>432,191</u>
Total assets less current liabilities		<u>933,389</u>	<u>1,298,029</u>
FINANCED BY			
Accumulated surplus/deficit of income over expenditure		(92,765)	432,191
Capital Account	7	<u>1,026,154</u>	<u>865,838</u>
		<u>933,389</u>	<u>1,298,029</u>

The Statement of Accounting Policies and notes 1 to 9 form part of these financial statements.

On behalf of the Council:

Chairperson

Chief Executive

Date

Date

National Council for Special Education

Notes (forming part of the financial statements)

1. INCOME	2005	2004
	€	€
Direct funding by Department of Education and Science	4,390,000	1,666,395
Payments made by DES on behalf of NCSE	1,791,447	1,622,713
Payments made by DES to OPW on behalf of NCSE	30,000	740,785
	<u>6,211,447</u>	<u>4,029,893</u>
2. EXPENDITURE	2005	2004
	€	€
Printing, postage and stationery	105,536	42,214
Rent and rates	243,650	90,726
Telephone	190,471	75,592
Light and heat	31,148	450
Repairs and maintenance	43,319	1,338
Training and development	119,785	260,891
Travel and subsistence expenses	345,493	216,716
Meeting expenses	24,592	23,094
General expenses	30,927	4,884
Recruitment fees	33,224	12,706
Research expenditure	67,259	2,076
IT expenses	214,376	11,069
Consultancy fees	126,058	42,686
Audit fee	9,600	7,000
Accountancy fees	21,711	41,419
Wages and salaries (Note 3)	4,579,892	1,830,264
Social Welfare Costs	264,617	77,512
Depreciation	<u>124,429</u>	<u>22,886</u>
Total Expenditure	<u>6,576,087</u>	<u>2,763,523</u>

3. WAGES AND SALARIES

The number of staff employed by the Council at year end 2005 was 93, made up of 75 SENOs and 18 Head Office staff. Expenditure on salaries for SENOs amounted to €3,662,400 and Head Office staff salaries to €17,492 giving a total of €4,579,892.

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Notes (forming part of the financial statements)

4. FIXED ASSETS

	Leasehold Refurbishment	Office Equipment	Furniture & Fittings	Computer Equipment	Total
	€	€	€	€	€
At 31 December 2004	<u>440,223</u>	<u>25,387</u>	<u>100,836</u>	<u>322,278</u>	<u>888,724</u>
Additions 2005	<u>170,128</u>	<u>4,778</u>	<u>42,123</u>	<u>67,716</u>	<u>284,745</u>
At 31 December 2005	<u>610,351</u>	<u>30,165</u>	<u>142,959</u>	<u>389,994</u>	<u>1,173,469</u>
Accumulated Depreciation					
At 31 December 2004	-	1,694	1,890	19,302	22,886
Charge for the year	32,124	5,680	12,260	74,365	124,429
At 31 December 2005	<u>32,124</u>	<u>7,374</u>	<u>14,150</u>	<u>93,667</u>	<u>147,315</u>
Net Book Value					
At 31 December 2004	<u>440,223</u>	<u>23,693</u>	<u>98,946</u>	<u>302,976</u>	<u>865,838</u>
At 31 December 2005	<u>578,227</u>	<u>22,791</u>	<u>128,809</u>	<u>296,327</u>	<u>1,026,154</u>

5. DEBTORS AND PREPAYMENTS

	2005	2004
	€	€
Prepayments	123,654	113,005
OPW	38,604	211,529
	<u>162,258</u>	<u>324,534</u>

6. CREDITORS

	2005	2004
	€	€
Paye/Prsi	133,936	104,491
Pensions	535,558	160,841
Income continuance	503	330
VHI	2,395	2,016
Instalment savings	69	69
Credit Union	450	-
Union deductions	4,802	230
Suppliers – Creditors	25,970	-
Accruals	128,167	51,843
	<u>831,850</u>	<u>319,820</u>

National Council for Special Education

Notes (forming part of the financial statements)

7. CAPITAL ACCOUNT

	2005	2004
	€	€
Opening Balance	<u>865,838</u>	-
Assets transferred from DES	-	31,659
Income used to acquire Assets	284,745	857,065
Amortisation in line with asset depreciation	<u>(124,429)</u>	<u>(22,886)</u>
Transfer from Income and Expenditure Account	<u>160,316</u>	<u>834,179</u>
Closing Balance	<u><u>1,026,154</u></u>	<u><u>865,838</u></u>

8. CONTINGENT LIABILITY

There are no contingent liabilities.

9. APPROVAL OF FINANCIAL STATEMENTS

The Financial Statements were approved by the Council on