

NATIONAL COUNCIL FOR SPECIAL EDUCATION
AN CHOMHAIRLE NÁISIÚNTA UM OIDEACHAS SPEISIALTA

Report and Financial Statements

For Year ending 31st of December, 2006

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 Section 29(2) of the Education for Persons with Special Educational Needs Act 2004, the Council of the National Council for Special Education presents its Report and Accounts for the year ended 31 December 2006.

National Council for Special Education

Information

Members of the Council of the National Council for Special Education 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 (NCSE) was re-established under Article 19 of 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:

Chairperson

Chief Executive

Date

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 National Council for Special Education (NCSE) 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 NCSE complies with its financial obligations under the Act
- ensuring that assets and liabilities of the NCSE are properly indemnified
- 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 and
- establishing 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;
- an operational budget agreed by the Council based on prescribed budget limits set by the Department of Education and Science;
- 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

Annual Review of Controls

In 2006 the Council commissioned external consultants to carry out a risk review to identify the key risk areas and control weaknesses of the organisation. During 2006 three internal audit reviews were undertaken which involved the active participation of the members and staff of the NCSE. At its meeting in July 2007 the Council reviewed the reports. The internal reports issued by the consultants confirmed that they did not identify any serious weaknesses in the organisation and that the NCSE has an effective system of internal financial control.

In 2006 the Council appointed an audit committee which reviews the annual financial statements and oversees the effective implementation of the internal audit function and any issues arising in connection with external audit.

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.

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.

The Council did carry out a review of financial controls for 2006.

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 2006 to 31 December 2006.

3. Income

The income represents the amount paid directly to the NCSE by the Department of Education and Science for the year and amounts paid by the Department of Education and Science on behalf of the NCSE 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
Computer Software	3 years		

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 2006

	Notes	2006 €	2005 €
Income			
State Grant	1	7,973,994	6,211,447
Transfer to Capital Account	7	(64,281)	(160,315)
Other Income		133	0
		7,909,846	6,051,131
Expenditure	2	(7,589,249)	(6,576,087)
Surplus/(Deficit) of income over expenditure		320,597	(524,956)

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 2006

	Notes	2006 €	2005 €
FIXED ASSETS			
Tangible assets	4	1,090,435	1,026,154
CURRENT ASSETS			
Debtors & Prepayments	5	123,318	162,258
Cash on Hand		<u>1,458,281</u>	<u>576,827</u>
Total Current Assets		1,581,599	739,085
CREDITORS (amounts falling due within one year)	6	1,353,768	831,850
NET CURRENT ASSETS		227,831	(92,765)
Total assets less current liabilities		<u>1,318,266</u>	<u>933,389</u>
FINANCED BY			
Accumulated surplus/(deficit) of income over expenditure		227,831	(92,765)
Capital Account	7	<u>1,090,435</u>	<u>1,026,154</u>
		<u>1,318,266</u>	<u>933,389</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	2006 €	2005 €
Direct funding by Department of Education and Science	7,187,187	4,390,000
Payments made by DES on behalf of NCSE	786,807	1,791,447
Payments made by DES to OPW on behalf of NCSE		30,000
	<u>7,973,994</u>	<u>6,211,447</u>
2. EXPENDITURE	2006 €	2005 €
Printing, postage and stationery	329,005	105,536
Rent and rates	265,514	243,650
Telephone	226,100	190,471
Light and heat	35,893	31,148
Repairs and maintenance	49,795	43,319
Training and development	97,373	119,785
Travel and subsistence expenses	335,570	345,493
Meeting expenses	15,667	24,592
General expenses	33,894	30,927
Recruitment fees	10,251	33,224
Research expenditure	370,486	67,259
IT expenses	171,875	214,376
Outsourced Services & Consultancy fees	222,408	126,058
Audit fee	9,600	9,600
Accountancy fees	6,658	21,711
Legal Fees	15	-
Wages and salaries (Note 3)	4,921,183	4,579,892
Social Welfare Costs	329,153	264,617
Depreciation	<u>158,809</u>	<u>124,429</u>
Total Expenditure	<u>7,589,249</u>	<u>6,576,087</u>

3. WAGES AND SALARIES

The number of staff employed by the Council at year end 2006 was 93, made up of 76 Special Educational Needs Organisers (SENOs) and 17 Head Office staff. Expenditure on salaries for SENOs amounted to €3,967,419 and Head Office staff salaries to €53,764 giving a total of €4,921,183.

National Council for Special Education

Notes (forming part of the financial statements)

4. FIXED ASSETS

Cost	Leasehold Refurbishment €	Office Equipment €	Furniture €	Computer Equipment €	Computer Software €	Total €
At 31 December 2005	610,351	30,165	142,959	389,994	-	1,173,469
Additions	-	<u>5,663</u>	<u>15,690</u>	<u>31,466</u>	<u>170,272</u>	<u>223,091</u>
At 31 December 2006	<u>610,351</u>	<u>35,828</u>	<u>158,649</u>	<u>421,460</u>	<u>170,272</u>	<u>1,396,560</u>
Accumulated Depreciation						
At 31 December 2005	32,124	7,374	14,150	93,667	-	147,315
Charge for the year	<u>32,124</u>	<u>6,684</u>	<u>15,679</u>	<u>80,991</u>	<u>23,332</u>	<u>158,810</u>
At 31 December 2006	<u>64,248</u>	<u>14,058</u>	<u>29,829</u>	<u>174,658</u>	<u>23,332</u>	<u>306,125</u>
Net Book Value						
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>
At 31 December 2006	<u>546,103</u>	<u>21,770</u>	<u>128,820</u>	<u>246,802</u>	<u>146,940</u>	<u>1,090,435</u>

5. DEBTORS AND PREPAYMENTS

	2006 €	2005 €
Prepayments	96,356	123,654
OPW	23,650	38,604
Dept of Justice	3,312	0
	<u>123,318</u>	<u>162,258</u>

6. CREDITORS

	2006 €	2005 €
Paye/Prsi	96,276	133,936
Pensions	863,272	535,558
Income continuance	726	503
VHI	2,211	2,395
Instalment savings	372	69
Credit Union	700	450
Union deductions	6,383	4,802
Suppliers – Creditors	227,857	25,970
Accruals	149,519	128,167
PSWT	6,452	0
	<u>1,353,768</u>	<u>831,850</u>

National Council for Special Education

Notes (forming part of the financial statements)

7. CAPITAL ACCOUNT

	2006	2005
	€	€
Opening Balance	1,026,154	865,838
Assets transferred from DES	-	-
Income used to acquire Assets	223,091	284,745
Amortisation in line with asset depreciation	(158,810)	(124,429)
Transfer from Income and Expenditure Account	<u>64,281</u>	<u>160,316</u>
Closing Balance	<u>1,090,435</u>	<u>1,026,154</u>

8. CONTINGENT LIABILITY

There are no contingent liabilities.

9. APPROVAL OF FINANCIAL STATEMENTS

The Financial Statements were approved by the Council on