

NATIONAL COUNCIL FOR SPECIAL EDUCATION
AN CHOMHAIRLE NÁISIÚNTA UM OIDEACHAS SPEISIALTA

Report and Financial Statements

For Year ending 31st of December 2008

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 from January 2007 for three year term of office:

Mr Sydney Blain (Chairperson)

Ms Siobhán Barron

Mr Christy Lynch

Mr Gearóid Ó Conluain (Resigned September 2008)

Ms Teresa Griffin

Mr Dermot Ryan (Resigned October 2008)

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 for presentation to the Houses of the Oireachtas

I have audited the financial statements of the National Council for Special Education for the year ended 31 December 2008 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.

Respective Responsibilities of the Members of the Council and the Comptroller and Auditor General

The Council is responsible for preparing the financial statements in accordance with the Education for Persons with Special Educational Needs Act 2004 and for ensuring the regularity of transactions. The Council prepares the financial statements in accordance with Generally Accepted Accounting Practice in Ireland. The accounting responsibilities of the Members of the Council are set out in the Statement of Responsibilities of the Council.

My responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

I report my opinion as to whether the financial statements give a true and fair view, in accordance with Generally Accepted Accounting Practice in Ireland. I also report whether in my opinion proper books of account have been kept. In addition, I state whether the financial statements are in agreement with the books of account.

I report any material instance where moneys have not been applied for the purposes intended or where the transactions do not conform to the authorities governing them.

I also report if I have not obtained all the information and explanations necessary for the purposes of my audit.

I review whether the Statement on Internal Financial Control reflects the Council's compliance with the Code of Practice for the Governance of State Bodies and report any material instance where it does not do so, or if the statement is misleading or inconsistent with other information of which I am aware from my audit of the financial statements. I am not required to consider whether the Statement on Internal Financial Control covers all financial risks and controls, or to form an opinion on the effectiveness of the risk and control procedures.

Basis of Audit Opinion

In the exercise of my function as Comptroller and Auditor General, I conducted my audit of the financial statements in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board and by reference to the special considerations which attach to State bodies in relation to their management and operation. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures and regularity of the financial transactions included in the financial statements. It also includes an assessment of the significant estimates and judgments made in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Council's circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations that I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming my opinion I also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In my opinion, the financial statements give a true and fair view, in accordance with Generally Accepted Accounting Practice in Ireland, of the state of the Council's affairs at 31 December 2008 and of its income and expenditure for the year then ended.

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



Gerard Smyth
For and on behalf of the
Comptroller and Auditor General

14 October 2009

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



Date



Chief Executive

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
- 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

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. The audit committee reviewed the internal audit reports and reported on these to the Council. During 2008 the Council commissioned external consultants to carry out two internal audit reviews.


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 this financial statement 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 2008 the Council 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

30/9/09 (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 2008 to 31 December 2008.

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 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 | | |

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 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.

National Council for Special Education

Statement of Accounting Policies

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 and to VECs in respect of staff that are seconded VEC teachers.

National Council for Special Education

Income and Expenditure Account for the year ended 31 December 2008


| | Notes | 2008 € | 2007 € |
|---------------------------------------|-------|-------------|-------------|
| Income | | | |
| State Grant | 1 | 8,350,720 | 8,919,539 |
| Transfer to Capital Account | 7 | 22,883 | 64,524 |
| Other Income | | 40,564 | 10,849 |
| | | 8,414,167 | 8,994,912 |
| Expenditure | | | |
| | 2 | (8,896,125) | (7,916,848) |
| Surplus of expenditure over income | | (481,958) | 1,078,064 |
| Surplus/(Deficit) as at 1 January | | | |
| | | 1,305,895 | 227,831 |
| Surplus / (Deficit) as at 31 December | | | |
| | | 823,937 | 1,305,895 |

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

 30/9/09

Date



Chief Executive

 30 September 2009

Date

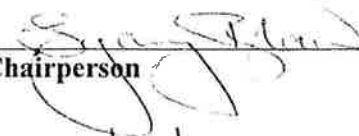
National Council for Special Education

Balance Sheet as at 31 December 2008

| | Notes | 2008 € | 2007 € |
|--|-------|------------------|------------------|
| FIXED ASSETS | | | |
| Tangible assets | 4 | 1,003,028 | 1,025,911 |
| CURRENT ASSETS | | | |
| Debtors & Prepayments | 5 | 127,090 | 64,872 |
| Cash on Hand | | <u>1,833,690</u> | <u>1,867,615</u> |
| Total Current Assets | | 1,960,780 | 1,932,487 |
| CREDITORS (amounts falling due within one year) | 6 | 1,136,843 | 626,592 |
| NET CURRENT ASSETS | | 823,937 | 1,305,895 |
| Total assets less current liabilities | | <u>1,826,965</u> | <u>2,331,806</u> |
| FINANCED BY | | | |
| Accumulated surplus/(deficit) of income over expenditure | | 823,937 | 1,305,895 |
| Capital Account | 7 | <u>1,003,028</u> | <u>1,025,911</u> |
| Total Capital | | <u>1,826,965</u> | <u>2,331,806</u> |


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

On behalf of the Council:



 Chairperson
 30/9/09

 Date



 Chief Executive
 30 September 2009

 Date

National Council for Special Education

Cashflow Statement for the year ended 31 December 2008


| | Notes | 2008 € | 2007 € |
|---|-------|-----------------|----------------|
| Reconciliation of operating surplus to net | | | |
| Cash inflow from operating activities | | | |
| Operating surplus / (deficit) for year | | (481,958) | 1,078,064 |
| Depreciation | 4 | 248,393 | 209,685 |
| Transfer from / (to) Capital Account | 7 | (22,883) | (64,524) |
| Interest Earned | | (40,564) | (10,849) |
| (Increase) / decrease in debtors | | (73,066) | 69,295 |
| Increase / (decrease) in creditors | | 510,250 | (727,176) |
| | | <hr/> | <hr/> |
| Net cash inflow from operating activities | | 140,172 | 554,495 |
| Returns on Investment and Servicing of Finance | | | |
| Interest Received | | 51,413 | 0 |
| Net Capital Expenditure | | | |
| Payments to acquire tangible fixed assets | 7 | (225,510) | (145,161) |
| | | <hr/> | <hr/> |
| Decrease in cash | | (33,925) | 409,334 |


RECONCILIATION OF NET CASHFLOW TO MOVEMENT IN NET FUNDS

| | | |
|--------------------------|-----------------|----------------|
| Net funds at 1 January | 1,867,615 | 1,458,281 |
| Net funds at 31 December | 1,833,690 | 1,867,615 |
| | | <hr/> |
| Decrease in cash | (33,925) | 409,334 |


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


On behalf of the Council:



 Chairperson


 Date



 Chief Executive


 Date

National Council for Special Education

Notes (forming part of the financial statements)

| 1. INCOME | 2008 | 2007 |
|--|------------------|------------------|
| | € | € |
| The Department of Education and Science made the following funds available to the Council: | | |
| Grant to the Council | 8,216,000 | 8,315,000 |
| Payments made on behalf of the Council | 134,720 | 604,539 |
| | <u>8,350,720</u> | <u>8,919,539</u> |
| | | |
| 2. EXPENDITURE | 2008 | 2007 |
| | € | € |
| Printing, postage and stationery | 100,094 | 220,671 |
| Rent and rates | 335,549 | 387,029 |
| Telephone | 254,298 | 216,672 |
| Light and heat | 25,095 | 35,729 |
| Repairs and maintenance | 62,386 | 75,210 |
| Training and development | 135,019 | 126,175 |
| Travel and subsistence expenses | 371,462 | 368,112 |
| Meeting expenses | 42,623 | 50,180 |
| General expenses | 14,359 | 11,174 |
| Recruitment fees | 18,120 | 44,928 |
| Research expenditure | 470,437 | 34,250 |
| IT expenses | 201,159 | 203,723 |
| Outsourced Services & Consultancy fees | 26,384 | 116,627 |
| Internal Audit fee | 4,143 | 9,055 |
| External Audit fee | 12,000 | 12,000 |
| Accountancy fees | 8,913 | 8,605 |
| Legal Fees | 12,138 | 605 |
| Wages and salaries (Note 3) | 6,104,597 | 5,417,104 |
| Social Welfare Costs | 448,956 | 369,314 |
| Depreciation | 248,393 | 209,685 |
| | <u>8,896,125</u> | <u>7,916,848</u> |
| Total Expenditure | | |

3. WAGES AND SALARIES

The number of staff employed by the Council at year end 2008 was 107, made up of 83 Special Educational Needs Organisers (SENOs) and 24 Head Office staff. Expenditure on salaries for SENOs amounted to €4,738,992 and Head Office staff salaries to €1,365,605 giving a total of €6,104,597.

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 2007 | 610,351 | 41,228 | 182,203 | 447,899 | 259,466 | 1,541,147 |
| Additions | - | 5,074 | 51,202 | 118,922 | 50,312 | 225,510 |
| Disposals | - | - | - | - | - | - |
| At 31 December 2008 | <u>610,351</u> | <u>46,302</u> | <u>233,405</u> | <u>566,821</u> | <u>309,778</u> | <u>1,766,657</u> |
| Accumulated Depreciation | | | | | | |
| At 31 December 2007 | 96,373 | 21,313 | 48,399 | 259,826 | 89,325 | 515,236 |
| Charge for the year | 32,124 | 8,741 | 20,549 | 94,391 | 92,588 | 248,393 |
| Disposals | - | - | - | - | - | - |
| At 31 December 2008 | <u>128,496</u> | <u>30,054</u> | <u>68,948</u> | <u>354,217</u> | <u>181,913</u> | <u>763,629</u> |
| Net Book Value | | | | | | |
| At 31 December 2007 | <u>513,979</u> | <u>19,915</u> | <u>133,804</u> | <u>188,073</u> | <u>170,141</u> | <u>1,025,910</u> |
| At 31 December 2008 | <u>481,855</u> | <u>16,248</u> | <u>164,457</u> | <u>212,604</u> | <u>127,865</u> | <u>1,003,028</u> |

5. DEBTORS AND PREPAYMENTS

| | 2008 € | 2007 € |
|------------------|----------------|---------------|
| Prepayments | 94,544 | 45,591 |
| OPW | 32,546 | 0 |
| Accrued Interest | 0 | 10,848 |
| Others | 0 | 8,433 |
| | <u>127,090</u> | <u>64,872</u> |

National Council for Special Education

Notes (forming part of the financial statements)

6. CREDITORS

| | 2008 | 2007 |
|--------------------------|------------------|----------------|
| | € | € |
| Paye/Prsi | 151,561 | 120,410 |
| Other Payroll Deductions | 326,801 | 141,082 |
| Suppliers – Creditors | 234,224 | 39,853 |
| OPW | 0 | 4,663 |
| VAT Control | 13,303 | 0 |
| Accruals | 399,131 | 318,906 |
| PSWT | <u>11,822</u> | <u>1,678</u> |
| | <u>1,136,842</u> | <u>626,592</u> |

7. CAPITAL ACCOUNT

| | 2008 | 2007 |
|--|------------------|------------------|
| | € | € |
| Opening Balance | 1,025,911 | 1,090,435 |
| Income used to acquire Assets | 225,510 | 145,161 |
| Amortisation in line with asset depreciation | <u>(248,393)</u> | <u>(209,685)</u> |
| Transfer (to)/ from Income and Expenditure Account | <u>(22,883)</u> | <u>(64,524)</u> |
| Closing Balance | <u>1,003,028</u> | <u>1,025,911</u> |

8. CONTINGENT LIABILITY

There are no contingent liabilities.

9. APPROVAL OF FINANCIAL STATEMENTS

The Financial Statements were approved by the Council on 30/9/2009