

**NATIONAL COUNCIL FOR SPECIAL EDUCATION**

**AN CHOMHAIRLE NÁISIÚNTA UM OIDEACHAS SPEISIALTA**

**Report and Financial Statements**

**For year ending 31<sup>st</sup> of December 2009**



# National Council for Special Education

## Report and Financial Statements

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# National Council for Special Education

## Information

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### **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)

Mr Christy Lynch (Deputy Chairperson)

Ms Siobhán Barron

Ms Teresa Griffin

Prof Patricia Noonan Walsh – resigned July 2009

Dr Seamus Hegarty

Mr Rory O’Sullivan

Ms Caroline O’Brien

Ms Anita Dillon

Mr Tom O’Sullivan

Sr Maighread Ní Ghallchobhair

Mr Don Mahon – appointed March 2009

Mr Barry Murphy – appointed March 2009

Mr Gearoid O Conluain – resigned September 2008

Mr Dermot Ryan – resigned December 2008

### **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 2009 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 2009 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.



**Andrew Harkness**

**For and on behalf of the**

**Comptroller and Auditor General**

22 November 2010

# National Council for Special Education

## Statement of Responsibilities of the Council

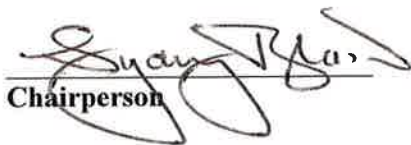
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The National Council for Special Education (NCSE) was established under the Education for Persons with Special Educational Needs Act 2004 and the Act requires the NCSE to keep proper accounts of all income and expenditure of the NCSE, and of the sources 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:**

  
Chairperson

  
Chief Executive

**Date** 9 November 2010

# **National Council for Special Education**

## **Statement on Internal Financial Control**

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### **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

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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 2009 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 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 2009 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**

9/11/2010 (Date)

# National Council for Special Education

## Statement of Accounting Policies

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### 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 2009 to 31 December 2009.

### 3. Income

The income 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 EPSEN Act.

### 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 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 Skills in respect of NCSE staff who are seconded primary, secondary, community and comprehensive teachers 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 2009

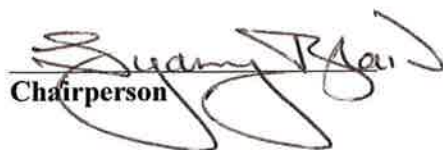
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	Notes	2009 €	2008 €
State Grant	1	9,250,000	8,350,720
Transfer from Capital Account	9	193,769	22,883
Other Income	2	<u>22,175</u>	<u>40,564</u>
		9,465,944	8,414,167
<b>Expenditure</b>	3	<b>(9,622,765)</b>	<b>(8,896,125)</b>
Surplus / (deficit) over income		<u>(156,821)</u>	<u>(481,958)</u>
Surplus as at 1 January		823,937	1,305,895
Surplus as at 31 December		667,116	823,937

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 14 form part of these financial statements.

On behalf of the Council:

  
Chairperson

9/11/2010  
Date

  
Chief Executive

9 November 2010  
Date

# National Council for Special Education

## Balance Sheet as at 31 December 2009

	Notes	2009 €	2008 €
<b>FIXED ASSETS</b>			
Tangible assets	6	809,260	1,003,028
<b>CURRENT ASSETS</b>			
Debtors & Prepayments	7	57,814	127,090
Cash on Hand		<u>1,194,719</u>	<u>1,833,690</u>
<b>Total Current Assets</b>		1,252,533	1,960,780
<b>CREDITORS</b>			
Amounts falling due within one year	8	<u>585,417</u>	<u>1,136,843</u>
<b>NET CURRENT ASSETS</b>			
		667,116	823,937
<b>Total assets less current liabilities</b>		<u>1,476,376</u>	<u>1,826,965</u>
<b>FINANCED BY</b>			
Accumulated surplus of income over expenditure		667,116	823,937
Capital Account	9	<u>809,260</u>	<u>1,003,028</u>
<b>Total Capital</b>		<u>1,476,376</u>	<u>1,826,965</u>

The Statement of Accounting Policies and notes 1 to 14 form part of these financial statements.

On behalf of the Council:

  
Chairperson

9/11/2010  
Date

  
Chief Executive

9 November 2010  
Date

# National Council for Special Education

## Cashflow Statement for the year ended 31 December 2009

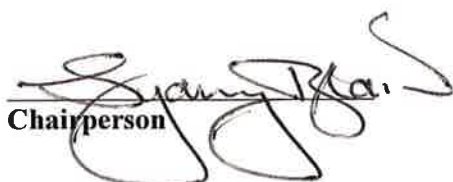
	Notes	2009 €	2008 €
<b>Reconciliation of operating surplus to net cash inflow from operating activities</b>			
Operating deficit for year		(156,821)	(481,958)
Depreciation	6	246,474	248,393
Transfer to Capital Account	9	(193,769)	(22,883)
Interest Earned		(5,778)	(40,564)
Decrease / (increase) in debtors		72,935	(73,066)
(Decrease) / increase in creditors		(551,426)	510,250
		(588,385)	140,172
<b>Returns on Investment and Servicing of Finance</b>			
Interest Received		2,119	51,413
<b>Net Capital Expenditure</b>			
Payments to acquire tangible fixed assets	9	(52,705)	(225,510)
		(638,971)	(33,925)

### RECONCILIATION OF NET CASHFLOW TO MOVEMENT IN NET FUNDS

Net funds at 1 January	1,833,690	1,867,615
Net funds at 31 December	1,194,719	1,833,690
	(638,971)	(33,925)

The Statement of Accounting Policies and notes 1 to 14 form part of these financial statements.

On behalf of the Council:

  
 Chairperson

9/11/2010  
 Date

  
 Chief Executive

9 November 2010  
 Date

# National Council for Special Education

## Notes (forming part of the financial statements)

1. INCOME	2009 €	2008 €
The Department of Education and Skills made the following funds available to the Council:		
Grant to the Council	9,250,000	8,216,000
Payments made on behalf of the Council	-	<u>134,720</u>
	<u>9,250,000</u>	<u>8,350,720</u>
2. OTHER INCOME	2009 €	2008 €
Bank interest	5,778	40,564
Telephone refunds from staff	<u>16,397</u>	-
	<u>22,175</u>	<u>40,564</u>
3. EXPENDITURE	2009 €	2008 €
Printing, postage and stationery	113,059	100,094
Rent and rates	371,490	335,549
Telephone	279,739	254,298
Light and heat	40,871	25,095
Repairs and maintenance	103,663	62,386
Training and development	97,701	135,019
Travel and subsistence expenses	274,598	371,462
Meeting expenses	35,979	42,623
General expenses	6,661	14,359
Recruitment fees	-	18,120
Research expenditure	608,435	470,437
IT expenses	212,506	201,159
Outsourced Services & Consultancy fees	20,371	26,384
Internal Audit fee	11,645	4,143
External Audit fee	11,280	12,000
Accountancy fees	8,055	8,913
Legal Fees	1,940	12,138
Wages and salaries (Note 4)	6,686,645	6,104,597
Social Welfare Costs	491,653	448,956
Depreciation	<u>246,474</u>	<u>248,393</u>
Total Expenditure	<u>9,622,765</u>	<u>8,896,125</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 2009 was 111, made up of 12 Senior Special Educational Needs Organisers (SSENOs), 73 Special Educational Needs Organisers (SENOs) and 26 Head Office staff.

Expenditure on salaries for SSENOs and SENOs amounted to €5,154,073 and Head Office staff salaries to €1,532,572 giving a total of €6,686,645. Superannuation contributions of €337,526 were deducted from staff salaries and remitted to the Department of Finance. In relation to staff on secondment from the Department of Education and the VECs, the NCSE remitted superannuation contributions of €37,733 and €44,042 respectively to these bodies. In addition, pension related deductions of €360,669 were made from staff salaries and remitted to the Department of Education & Skills.

### 5. EXPENSES, DIRECTORS FEES AND CEO REMUNERATION

Government guidelines on the payment of director's fees are being implemented. There were no fees paid in 2009 to individual council members. The total paid for travel & subsistence expense claimed by the board members in 2009 was €9,714.

The Chief Executive Officer (CEO) is a civil service Assistant Secretary General. Total annual salary for the CEO in 2009 was €150,712. The CEO is a member of the superannuation scheme for Established Civil Servants— see also paragraph 6 of NCSE Statement of Accounting Policies.

### 6. FIXED ASSETS

Cost	Leasehold Refurbishment €	Office Equipment €	Furniture €	Computer Equipment €	Computer Software €	Total €
At 31 December 2008	610,351	46,302	233,406	566,821	309,777	1,766,657
Additions		4,368	20,146	4,986	23,205	52,705
At 31 December 2009	<u>610,351</u>	<u>50,670</u>	<u>253,552</u>	<u>571,807</u>	<u>332,982</u>	<u>1,819,362</u>
<b>Accumulated Depreciation</b>						
At 31 December 2008	128,496	30,054	68,948	354,217	181,913	763,628
Charge for the year	32,124	7,724	24,395	94,646	87,585	246,474
At 31 December 2009	<u>160,620</u>	<u>37,778</u>	<u>93,343</u>	<u>448,863</u>	<u>269,498</u>	<u>1,010,102</u>
<b>Net Book Value</b>						
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>
At 31 December 2009	<u>449,731</u>	<u>12,892</u>	<u>160,208</u>	<u>122,944</u>	<u>63,485</u>	<u>809,260</u>

# National Council for Special Education

## Notes (forming part of the financial statements)

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<b>7. DEBTORS AND PREPAYMENTS</b>	<b>2009</b>	<b>2008</b>
	€	€
Prepayments	41,525	94,544
OPW	12,630	32,546
Accrued Interest	<u>3,659</u>	<u>-</u>
	<u>57,814</u>	<u>127,090</u>
<b>8. CREDITORS</b>	<b>2009</b>	<b>2008</b>
	€	€
Paye/Prsi	155,886	151,561
Other Payroll Deductions	4,369	326,801
Suppliers – Creditors	107,891	234,224
VAT Control	10,427	13,303
Accruals	290,204	399,131
PSWT	<u>16,640</u>	<u>11,822</u>
	<u>585,417</u>	<u>1,136,842</u>
<b>9. CAPITAL ACCOUNT</b>	<b>2009</b>	<b>2008</b>
	€	€
Opening Balance	1,003,028	1,025,911
Income used to acquire Assets	52,705	225,510
Amortisation in line with asset depreciation	<u>(246,474)</u>	<u>(248,393)</u>
Transfer (to)/ from Income and Expenditure Account	(193,769)	(22,883)
Closing Balance	<u>809,260</u>	<u>1,003,028</u>



# National Council for Special Education

## Notes (forming part of the financial statements)

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### 10. OPERATING LEASES

The NCSE operates a network of 41 offices throughout the State including its Headquarters in Trim, County Meath. The majority of offices are rented from Government funded entities. Five offices are operated through lease agreements\* between the NCSE and commercial bodies.

The NCSE letting agreements with 5 commercial bodies:

Lease 1 for 2 years commencing October 2007

Lease 2 for 4 years 9 months commencing January 2008

Lease 3 for 4 years 11 months commencing March 2008

Lease 4 for 4 years 9 months commencing April 2008

Lease 5 for 4 years 9 months commencing December 2008

The annual rental charged to the Income & Expenditure account for these lease agreements amounted to €47,708. The NCSE has the following annual lease commitments under operating leases which expire

	2009	2008
	€	€
within 1 year	867	5,200
during the years 2 to 5	42,508	42,508
expiring thereafter	-	-

\*These agreements are not subject to rent reviews.

### 11. CONTINGENT LIABILITY

There are no contingent liabilities.

### 12. POST BALANCE SHEET EVENTS

There were no significant post balance sheet events.

### 13. 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.

In 2009, one Council Member received payment of €13k in respect of professional services provided to the Council. The Department of Finance provided sanction for payment in respect of these professional services.

### 14. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Council on 19<sup>th</sup> May 2010.