

NATIONAL COUNCIL FOR SPECIAL EDUCATION
AN CHOMHAIRLE NÁISIÚNTA UM OIDEACHAS SPEISIALTA

Report and Financial Statements

For year ending 31st of December 2011

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 2012:

Mr Sydney Blain (Chairperson)

Dr Seamus Hegarty

Sr Maighread Ní Ghallchobhair

Mr Tom O'Sullivan

Ms Teresa Griffin

Mr Don Mahon

Dr Anne Lodge

Ms Joan Russell

Mr Pat Kinsella

Ms Julie O'Leary

Ms Siobhán Barron

Mr Mick Coughlan

Mr James O'Grady (appointed – 15 February 2011)

Ms Maureen Costello (appointed – 22 September 2011)

Chief Executive:

Mr Pat Curtin (retired December 2010)

Mr Sé Goulding (Officer in Charge 24 December 2010 - 30 March 2011)

Ms Teresa Griffin (appointed 31 March 2011)

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 2011 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 reporting framework that has been applied in their preparation is applicable law and 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.

In addition, I read all the financial and non-financial information in the Annual Report to identify material

inconsistencies with the audited financial statements. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my report.

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 2011 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.

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 moneys have not been applied for the purposes intended or where the transactions did not conform to the authorities governing them, or
- the information given in the Council's Annual Report for the year for which the financial statements are prepared is not consistent with the financial statements, 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.

Andrew Harkness

For and on behalf of the
Comptroller and Auditor General

18 July 2012

National Council for Special Education

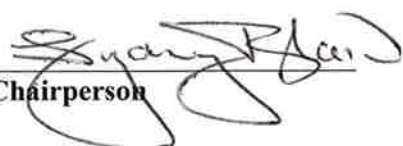
Statement of Responsibilities of the Council

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:


Chairperson


Chief Executive

Date 29/06/12

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. During 2011 external consultants were commissioned to advise on a three year programme of internal audit work. The Council Audit Committee reviewed the system of internal financial control on 12th December 2011 and on 18th January 2012 reported to Council which agreed the Committee's report.

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 2011 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

29/06/12 (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 2011 to 31 December 2011.

3. Income

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. The NCSE had no staff seconded to it in 2011.

National Council for Special Education

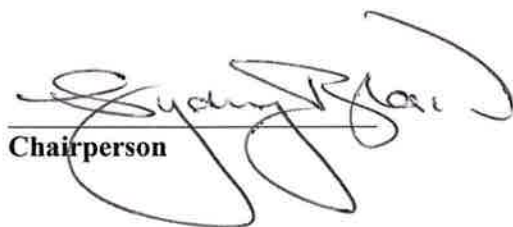
Income and Expenditure Account for the year ended 31 December 2011

	Notes	2011 €	2010 €
State Grant	1	8,152,000	8,216,000
Transfer from Capital Account	9	108,691	119,499
Other Income	2	<u>7,051</u>	<u>13,545</u>
		8,267,742	8,349,044
Expenditure	3	<u>(8,593,267)</u>	<u>(8,582,886)</u>
Deficit		<u>(325,525)</u>	<u>(233,842)</u>
Surplus as at 1 January		433,274	667,116
Surplus as at 31 December		107,749	433,274

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 15 form part of these financial statements.

On behalf of the Council:



 Chairperson



 Chief Executive

 Date 29/06/12

 Date 29/06/12

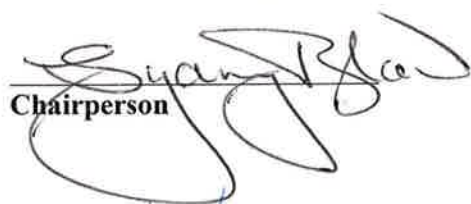
National Council for Special Education

Balance Sheet as at 31 December 2011

	Notes	2011 €	2010 €
FIXED ASSETS			
Tangible assets	6	581,070	689,761
CURRENT ASSETS			
Debtors & Prepayments	7	23,989	150,856
Cash on Hand		<u>746,397</u>	<u>936,222</u>
Total Current Assets		770,386	1,087,078
CREDITORS			
Amounts falling due within one year	8	<u>662,637</u>	<u>653,804</u>
NET CURRENT ASSETS		107,749	433,274
Total assets less current liabilities		<u>688,819</u>	<u>1,123,035</u>
FINANCED BY			
Accumulated surplus of income over expenditure		107,749	433,274
Capital Account	9	<u>581,070</u>	<u>689,761</u>
Total Capital		<u>688,819</u>	<u>1,123,035</u>

The Statement of Accounting Policies and notes 1 to 15 form part of these financial statements.

On behalf of the Council:



Chairperson

 29/06/12
Date



Chief Executive

 29/06/12
Date

National Council for Special Education

Cashflow Statement for the year ended 31 December 2011


	Notes	2011 €	2010 €
Reconciliation of operating surplus to net cash inflow from operating activities			
Operating deficit for year		(325,525)	(233,842)
Depreciation	6	121,647	153,475
Loss on disposal of fixed assets	6	1,216	401
Transfer to Capital Account	9	(108,691)	(119,499)
Interest Earned		(2,118)	(3,468)
Decrease / (increase) in debtors		124,619	(94,454)
(Decrease) / increase in creditors		8,833	68,387
Net cash outflow from operating activities		(180,019)	(229,000)
Returns on Investment and Servicing of Finance			
Interest Received		4,366	4,880
Net Capital Expenditure			
Payments to acquire tangible fixed assets	6	(14,172)	(34,377)
Decrease in cash		(189,825)	(258,497)

RECONCILIATION OF NET CASHFLOW TO MOVEMENT IN NET FUNDS

Net funds at 1 January	936,222	1,194,719
Net funds at 31 December	746,397	936,222
Decrease in cash	(189,825)	(258,497)

The Statement of Accounting Policies and notes 1 to 15 form part of these financial statements.

On behalf of the Council:


 Chairperson
 Date 29/06/12


 Chief Executive
 Date 29/06/12

National Council for Special Education

Notes (forming part of the financial statements)

1.	INCOME	2011 €	2010 €
	The Department of Education and Skills made the following funds available to the Council:		
	Grant to the Council	<u>8,152,000</u>	<u>8,216,000</u>
2.	OTHER INCOME	2011 €	2010 €
	Bank interest	2,118	3,468
	Freedom of Information	60	100
	Telephone refunds from staff	<u>4,873</u>	<u>9,977</u>
		<u>7,051</u>	<u>13,545</u>
3.	EXPENDITURE	2011 €	2010 €
	Printing, postage and stationery	166,640	111,383
	Rent and rates	400,223	390,622
	Telephone	216,107	245,018
	Light and heat	36,722	31,630
	Repairs and maintenance	114,071	97,871
	Training and development	44,970	76,178
	Travel and subsistence expenses	192,564	227,927
	Meeting expenses	33,141	27,957
	General expenses	3,530	4,365
	Research expenditure	355,714	341,251
	IT expenses	179,665	192,135
	Outsourced Services & Consultancy fees	15,775	41,323
	Internal Audit fee	3,798	6,480
	External Audit fee	11,280	11,280
	Accountancy fees	20,172	6,739
	Legal Fees	1,389	709
	Wages and salaries (Note 4)	6,192,538	6,156,153
	Social Welfare Costs	482,105	459,989
	Loss on disposal of fixed assets	1,216	401
	Depreciation	<u>121,647</u>	<u>153,475</u>
	Total Expenditure	<u>8,593,267</u>	<u>8,582,886</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 2011 was 107, made up of 10 Senior Special Educational Needs Organisers (SSENOs), 75 Special Educational Needs Organisers (SENOs) and 22 Head Office staff.

Expenditure on salaries for SSENOs and SENOs amounted to €4,902,253 and Head Office staff salaries to €1,290,285 giving a total of €6,192,538. Superannuation contributions of €312,270 were deducted from staff salaries and remitted to the Department of Finance. In addition, pension levy deductions of €430,837 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 2011 to individual council members. The total paid for travel & subsistence expense claimed by the board members in 2011 was €13,265 (2010: €6,598).

The Chief Executive Officer (CEO) is a civil service Assistant Secretary General. A new CEO was appointed from March 2011. Total annual salary paid to the CEO in 2011 was €93,557 (2010: €145,886). 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 2010	610,351	56,471	264,230	479,860	340,095	1,751,007
Additions	-	2,322	2,249	9,601	-	14,172
Disposals	-	-	(4,096)	(151)	-	(4,247)
At 31 December 2011	<u>610,351</u>	<u>58,793</u>	<u>262,383</u>	<u>489,310</u>	<u>340,095</u>	<u>1,760,932</u>
Accumulated Depreciation						
At 31 December 2010	192,742	38,674	119,221	393,841	316,768	1,061,246
Charge for the year	32,124	6,453	26,511	35,883	20,676	121,647
Disposals	-	-	(2,935)	(96)	-	(3,031)
At 31 December 2011	<u>224,866</u>	<u>45,127</u>	<u>142,797</u>	<u>429,628</u>	<u>337,444</u>	<u>1,179,862</u>
Net Book Value						
At 31 December 2010	<u>417,609</u>	<u>17,797</u>	<u>145,009</u>	<u>86,019</u>	<u>23,327</u>	<u>689,761</u>
At 31 December 2011	<u>385,485</u>	<u>13,666</u>	<u>119,586</u>	<u>59,682</u>	<u>2,651</u>	<u>581,070</u>

National Council for Special Education

Notes (forming part of the financial statements)

7. DEBTORS AND PREPAYMENTS

	2011	2010
	€	€
Prepayments	17,398	140,120
OPW	6,591	8,068
Sundry debtor	-	420
Accrued Interest	-	<u>2,248</u>
	<u>23,989</u>	<u>150,856</u>

8. CREDITORS

	2011	2010
	€	€
PAYE	105,818	77,937
PRSI	47,283	64,673
Other Payroll Deductions	97,481	3,470
Supplier Creditors	93,957	98,392
VAT Payable	5,619	6,191
Accruals	306,132	396,792
PSWT	<u>6,347</u>	<u>6,349</u>
	<u>662,637</u>	<u>653,804</u>

9. CAPITAL ACCOUNT

	2011	2010
	€	€
Opening Balance	689,761	809,260
Income used to acquire Assets	14,172	34,377
Amortisation in line with asset depreciation	(121,647)	(153,475)
Amount released on the disposal of fixed assets	<u>(1,216)</u>	<u>(401)</u>
Transfer (to)/ from Income and Expenditure Account	(108,691)	(119,499)
Closing Balance	<u>581,070</u>	<u>689,761</u>

National Council for Special Education

Notes (forming part of the financial statements)

10. OPERATING LEASES

The NCSE operates a network of 40 offices throughout the State including its Headquarters in Trim, County Meath. The majority of offices are rented from Government funded entities. Six offices are operated through lease agreements* between the NCSE and commercial bodies.

The NCSE letting agreements with 6 commercial bodies:

Lease 1 for 4 years 9 months commencing January 2008

Lease 2 for 4 years 11 months commencing March 2008

Lease 3 for 4 years 9 months commencing April 2008

Lease 4 for 4 years 9 months commencing December 2008

Lease 5 for 4 years 9 months commencing April 2010

Lease 6 for 2 years commencing July 2010

The annual rental charged to the Income & Expenditure account for these lease agreements amounted to €64,296. The NCSE has the following annual commitments under operating leases which expire

	2011	2010
	€	€
within 1 year	12,327	0
during the years 2 to 5	46,142	53,570
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 39 other properties in various locations nationally. The total annual rental charge included in the financial statements for 2011 is €400,223.

12. CONTINGENT LIABILITY

There are no contingent liabilities.

13. POST BALANCE SHEET EVENTS

There were no significant post balance sheet events.

National Council for Special Education

Notes (forming part of the financial statements)

14. 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 2011, one Council Member received payment of €5,000 in respect of professional services provided to the Council. The Department of Finance provided sanction for payment in respect of these professional services.

15. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Council on 16 May 2012.