

NATIONAL COUNCIL FOR SPECIAL EDUCATION

AN CHOMHAIRLE NÁISIÚNTA UM OIDEACHAS SPEISIALTA

Report and Financial Statements

For year ending 31st of December 2014

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 2015:

Mr Eamon Stack (Chairperson)

Mr Pat Kinsella (Deputy Chairperson)

Ms Maureen Costello

Mr Mick Coughlan¹

Professor Sheelagh Drudy

Ms Jenny Ennis

Ms Eithne Fitzgerald

Ms Mary Friel

Ms Helen Guinan

Mr Johnny Murphy

Mr Philip O'Callaghan

Mr James O'Grady

Mr Tom O'Sullivan (appointed October 2014)²

Ms Joan Russell

Chief Executive:

Ms Teresa Griffin

¹ Mr Coughlan passed away following serious illness and was unable to attend Council meetings in 2014

² The term of appointment for Mr O'Sullivan runs to end December 2015

National Council for Special Education
Report of the Comptroller and Auditor General

A copy of the Report of the Comptroller and Auditor General can be viewed on Page 4.



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 2014 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 statements have been prepared in the form prescribed under Section 29 of the Act, and in accordance with 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.

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 2014 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 money has not been applied for the purposes intended or where the transactions did not conform to the authorities governing them, 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.

Colette Drinan

For and on behalf of the
Comptroller and Auditor General

25 June 2015

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:



Mr Eamon Stack
Chairperson



Ms Teresa Griffin
Chief Executive

24th June 2015

24th June 2015

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. In 2014 an internal audit review of the system of internal financial control was conducted. The review report was submitted to the audit committee which reported to Council at its 88th meeting in March 2015. Council agreed that reasonable assurance can be taken from the sufficiency of these controls.

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 2014 the Council conducted a review of the effectiveness of the system of internal financial control.

Signed on behalf of the Council:



Mr Eamon Stack
Chairperson
National Council for Special Education

24th June 2015

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 2014 to 31 December 2014.

3. Income

Income is on a cash receipts basis and 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 Education for Persons with Special Educational Needs Act 2004.

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 EPSEN 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 Public Expenditure and Reform. There is no charge in the financial statements for any liabilities which may arise in respect of these staff.

National Council for Special Education

Income and Expenditure Account for the year ended 31 December 2014

	Notes	2014 €	2013 €
State Grant	1	7,988,565	8,020,000
Transfer from / (to) Capital Account	9	95,314	(35,041)
Other Income	2	<u>15</u>	<u>58</u>
		8,083,894	7,985,017
Expenditure	3	<u>(8,090,762)</u>	<u>(8,050,336)</u>
Deficit		(6,868)	(65,319)
(Deficit)/Surplus as at 1 January		<u>(57,552)</u>	<u>7,767</u>
Deficit as at 31 December	13	<u>(64,420)</u>	<u>(57,552)</u>

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 16 form part of these financial statements.

On behalf of the Council:



Mr Eamon Stack
Chairperson



Ms Teresa Griffin
Chief Executive

24th June 2015

24th June 2015

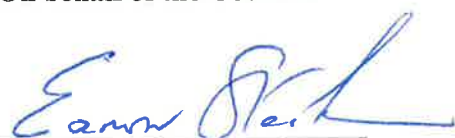
National Council for Special Education

Balance Sheet as at 31 December 2014

	Notes	2014 €	2013 €
FIXED ASSETS			
Tangible assets	6	481,505	576,819
CURRENT ASSETS			
Debtors & Prepayments	7	65,156	43,849
Cash on Hand		<u>26,743</u>	<u>9,076</u>
Total Current Assets		91,899	52,925
CREDITORS			
Amounts falling due within one year	8	<u>156,319</u>	<u>110,477</u>
NET CURRENT LIABILITIES		(64,420)	(57,552)
Total assets less current liabilities		<u>417,085</u>	<u>519,267</u>
FINANCED BY			
Accumulated deficit	13	(64,420)	(57,552)
Capital Account	9	<u>481,505</u>	<u>576,819</u>
Total Capital		<u>417,085</u>	<u>519,267</u>

The Statement of Accounting Policies and notes 1 to 16 form part of these financial statements.

On behalf of the Council:



Mr Eamon Stack
Chairperson



Ms Teresa Griffin
Chief Executive

24th June 2015

24th June 2015

National Council for Special Education

Cashflow Statement for the year ended 31 December 2014

	Notes	2014 €	2013 €
Reconciliation of operating deficit to net cash inflow from operating activities			
Operating deficit for year		(6,868)	(65,319)
Depreciation	6	114,000	112,063
Transfer (from)/to Capital Account	9	(95,314)	35,041
(Increase) / decrease in debtors		(21,307)	28,612
Increase / (decrease) in creditors		<u>45,842</u>	<u>(7,637)</u>
Net cash inflow from operating activities		36,353	102,760
Net Capital Expenditure			
Payments to acquire tangible fixed assets	6	<u>(18,686)</u>	<u>(147,104)</u>
Increase / (Decrease) in cash		<u>17,667</u>	<u>(44,344)</u>

RECONCILIATION OF NET CASHFLOW TO MOVEMENT IN NET FUNDS

Net funds at 1 January	9,076	53,420
Net funds at 31 December	<u>26,743</u>	<u>9,076</u>
Increase / (Decrease) in cash	<u>17,667</u>	<u>(44,344)</u>

The Statement of Accounting Policies and notes 1 to 16 form part of these financial statements.

On behalf of the Council:



Mr Eamon Stack
Chairperson



Ms Teresa Griffin
Chief Executive

24th June 2015

24th June 2015

National Council for Special Education

Notes (forming part of the financial statements)

1. INCOME	2014 €	2013 €
The Department of Education and Skills made the following funds available to the Council:		
Grant to the Council (Vote 26 - Subhead: A11.5 Pay & Non Pay)	<u>7,988,565</u>	<u>8,020,000</u>
2. OTHER INCOME	2014 €	2013 €
Freedom of Information	15	45
Data Protection fees	-	<u>13</u>
	<u>15</u>	<u>58</u>
3. EXPENDITURE	2014 €	2013 €
Printing, postage and stationery	158,332	116,841
Rent and rates	357,940	374,119
Telephone	144,686	200,954
Light and heat	54,195	49,066
Repairs and maintenance	95,203	89,786
Training and development	44,435	27,899
Travel and subsistence expenses	251,780	229,556
Meeting expenses	23,864	18,888
General expenses	4,681	4,134
Research expenditure	247,368	249,881
IT expenses	248,330	193,045
Outsourced Services & Consultancy fees	13,166	14,010
Internal Audit fee	9,724	15,263
External Audit fee	11,120	11,280
Accountancy fees	8,528	10,630
Legal Fees	-	855
Wages and salaries (Note 4)	5,829,536	5,860,081
Employers PRSI	473,874	471,985
Depreciation	<u>114,000</u>	<u>112,063</u>
Total Expenditure	<u>8,090,762</u>	<u>8,050,336</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 2014 was 97, made up of 9 Senior Special Educational Needs Organisers (SSENOs), 1 Head of Local Services, 67 Special Educational Needs Organisers (SENOs) and 20 Head Office staff.

Expenditure on salaries for SSENOs and SENOs amounted to €4,546,553 and Head Office staff salaries to €1,282,983 giving a total of €5,829,536. Superannuation contributions of €259,034 were deducted from staff salaries and remitted to the Department of Finance. In addition, pension levy deductions of €390,312 were made from staff salaries and remitted to the Department of Education & Skills.

5. EXPENSES, DIRECTORS FEES AND CEO REMUNERATION

There were no fees paid in 2014 to individual council members. The total paid for travel & subsistence expenses claimed by the board members in 2014 was €22,711 (2013: €23,378).

The Chief Executive Officer (CEO) is a civil service Assistant Secretary General. Total annual salary paid to the CEO in 2014 was €130,706 (2013: €133,364). 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 2013	610,351	60,979	269,251	612,209	391,215	1,944,005
Additions	-	4,086	1,860	12,740	-	18,686
Disposals	-	-	-	(95,980)	-	(95,980)
At 31 December 2014	<u>610,351</u>	<u>65,065</u>	<u>271,111</u>	<u>528,969</u>	<u>391,215</u>	<u>1,866,711</u>
Accumulated Depreciation						
At 31 December 2013	289,114	55,237	196,563	475,686	350,586	1,367,186
Charge for the year	32,123	4,439	26,235	34,333	16,870	114,000
Disposals	-	-	-	(95,980)	-	(95,980)
At 31 December 2014	<u>321,237</u>	<u>59,676</u>	<u>222,798</u>	<u>414,039</u>	<u>367,456</u>	<u>1,385,206</u>
Net Book Value						
At 31 December 2013	<u>321,237</u>	<u>5,742</u>	<u>72,688</u>	<u>136,523</u>	<u>40,629</u>	<u>576,819</u>
At 31 December 2014	<u>289,114</u>	<u>5,389</u>	<u>48,313</u>	<u>114,930</u>	<u>23,759</u>	<u>481,505</u>

National Council for Special Education

Notes (forming part of the financial statements)

7. DEBTORS AND PREPAYMENTS	2014	2013
	€	€
Prepayments	56,262	28,255
Debtors	8,536	14,818
Other Payroll Deductions	<u>358</u>	<u>776</u>
	<u>65,156</u>	<u>43,849</u>
8. CREDITORS	2014	2013
	€	€
Supplier Creditors	7,042	14,323
VAT Payable	6,512	461
PSWT	13,202	-
Accruals	<u>129,563</u>	<u>95,693</u>
	<u>156,319</u>	<u>110,477</u>
9. CAPITAL ACCOUNT	2014	2013
	€	€
Opening Balance	576,819	541,778
Income used to acquire Assets	18,686	147,104
Amortisation in line with asset depreciation	<u>(114,000)</u>	<u>(112,063)</u>
Transfer (to)/ from Income and Expenditure Account	(95,314)	35,041
Closing Balance	<u>481,505</u>	<u>576,819</u>

National Council for Special Education

Notes (forming part of the financial statements)

10. OPERATING LEASES

The NCSE operates a network of 33 offices throughout the State including its Headquarters in Trim, County Meath. The majority of offices are rented from Government funded entities. Three offices are operated through lease agreements* between the NCSE and commercial bodies.

The NCSE letting agreements with 4 commercial bodies:

- Lease 1 for 4 years 9 months expired in February 2013; however the accommodation is currently rented on a month to month basis while alternative accommodation is being sourced
- Lease 2 for 4 years 9 months commencing April 2010
- Lease 3 for 1 year commencing July 2014
- Lease 4 for 4 years 11 months commencing 1st January 2011

The annual rental charged to the Income & Expenditure account for these lease agreements amounted to €36,614. The NCSE has the following annual commitments under operating leases which expire

	2014	2013
	€	€
within 1 year	29,273	10,078
during the years 2 to 5	-	16,638
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 32 other properties in various locations nationally. The total annual rental charge included in the financial statements for 2014 is €357,940.

12. CONTINGENT LIABILITY

There are no contingent liabilities.

13. FUNDING POSITION

NCSE income is a grant from the Department of Education and Skills which is provided to meet liabilities maturing during the year, as opposed to expenditure incurred during the year. The current deficit will be met by future funding provided to the NCSE by the Department of Education and Skills.

National Council for Special Education

Notes (forming part of the financial statements)

14. POST BALANCE SHEET EVENTS

There were no significant post balance sheet events.

15. 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.

There were no payments to Council Members during 2014.

16. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Council on 25th March 2015.