

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

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
- 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

_____ (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
		<u>8,414,167</u>	<u>8,994,912</u>
Expenditure	2	<u>(8,896,125)</u>	<u>(7,916,848)</u>
Surplus of expenditure over income		<u>(481,958)</u>	<u>1,078,064</u>
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

Chief Executive

Date

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

Chief Executive

Date

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)
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)
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
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

Chief Executive

Date

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
	8,350,720	8,919,539
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
	8,896,125	7,916,848

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	(22,883)	(64,524)
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