

NATIONAL COUNCIL FOR SPECIAL EDUCATION
AN CHOMHAIRLE NÁISIÚNTA UM OIDEACHAS SPEISIALTA

Report and Financial Statements

For Year ending 31st of December, 2007

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

Ms Teresa Griffin

Mr Dermot Ryan

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

During 2007 the Council commissioned external consultants to carry out three internal audit reviews including a review of its system of internal financial controls.

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.

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.

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 2007 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 2007 to 31 December 2007.

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; to VECs in respect of staff that are seconded VEC teachers; and to the Department of Education and Science for staff that are seconded civil servants of that Department.

National Council for Special Education
Income and Expenditure Account
for the year ended 31 December 2007

	Notes	2007 €	2006 €
Income			
State Grant	1	8,919,539	7,973,994
Transfer to Capital Account	7	64,524	(64,281)
Other Income		10,849	133
		8,994,912	7,909,846
 Expenditure			
	2	(7,916,848)	(7,589,249)
Surplus of income over expenditure		<u>1,078,064</u>	<u>320,597</u>
 Surplus/(Deficit) as at 1 January			
		227,831	(92,766)
Surplus / (Deficit) as at 31 December			
		1,305,895	227,831

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 2007

	Notes	2007 €	2006 €
FIXED ASSETS			
Tangible assets	4	1,025,911	1,090,435
CURRENT ASSETS			
Debtors & Prepayments	5	64,872	123,318
Cash on Hand		<u>1,867,615</u>	<u>1,458,281</u>
Total Current Assets		1,932,487	1,581,599
CREDITORS (amounts falling due within one year)	6	626,592	1,353,768
NET CURRENT ASSETS		1,305,895	227,831
Total assets less current liabilities		<u>2,331,806</u>	<u>1,318,266</u>
FINANCED BY			
Accumulated surplus/(deficit) of income over expenditure		1,305,895	227,831
Capital Account	7	<u>1,025,911</u>	<u>1,090,435</u>
Total Capital		<u>2,331,806</u>	<u>1,318,266</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 2007

	Notes	2007 €	2006 €
Reconciliation of operating surplus to net			
Cash inflow from operating activities			
Operating surplus / (deficit) for year		1,078,064	320,597
Depreciation	4	209,685	158,809
Transfer from / (to) Capital Account	7	(64,524)	64,281
(Increase) / decrease in debtors		58,446	38,940
Increase / (decrease) in creditors		(727,176)	521,918
		554,495	1,104,545
Returns on Investment and Servicing of Finance			
Interest Earned		0	0
Net Capital Expenditure			
Payments to acquire tangible fixed assets	7	(145,161)	(223,091)
Increase in cash		409,334	881,454

RECONCILIATION OF NET CASHFLOW TO MOVEMENT IN NET FUNDS

Net funds at 1 January		1,458,281	576,827
Net funds at 31 December		1,867,615	1,458,281
Increase in cash		409,334	881,454

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	2007 €	2006 €
The Department of Education and Science made the following funds available to the Council:		
Grant to the Council	8,315,000	7,187,187
Payments made on behalf of the Council	604,539	786,807
	8,919,539	7,973,994
2. EXPENDITURE	2007 €	2006 €
Printing, postage and stationery	220,671	329,005
Rent and rates	387,029	265,514
Telephone	216,672	226,100
Light and heat	35,729	35,893
Repairs and maintenance	75,210	49,795
Training and development	126,175	97,373
Travel and subsistence expenses	368,112	335,570
Meeting expenses	50,180	15,667
General expenses	11,174	33,894
Recruitment fees	44,928	10,251
Research expenditure	34,250	370,486
IT expenses	203,723	171,875
Outsourced Services & Consultancy fees	116,627	210,448
Internal Audit fee	9,055	11,960
External Audit fee	12,000	9,600
Accountancy fees	8,605	6,658
Legal Fees	605	15
Wages and salaries (Note 3)	5,417,104	4,921,183
Social Welfare Costs	369,314	329,153
Depreciation	209,685	158,809
	7,916,848	7,589,249

3. WAGES AND SALARIES

The number of staff employed by the Council at year end 2007 was 97, made up of 79 Special Educational Needs Organisers (SENOS) and 18 Head Office staff. Expenditure on salaries for SENOs amounted to €4,419,927 and Head Office staff salaries to €97,177 giving a total of €5,417,104.

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 2006	610,351	35,828	158,649	421,460	170,272	1,396,560
Additions	-	5,974	23,554	26,439	89,194	145,161
Disposals	<u>-</u>	<u>(575)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(575)</u>
At 31 December 2007	<u>610,351</u>	<u>41,227</u>	<u>182,203</u>	<u>447,899</u>	<u>259,466</u>	<u>1,541,146</u>
Accumulated Depreciation						
At 31 December 2006	64,248	14,058	29,829	174,658	23,332	306,125
Charge for the year	32,124	7,830	18,570	85,168	65,993	209,685
Disposals	<u>-</u>	<u>(575)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(575)</u>
At 31 December 2007	<u>96,372</u>	<u>21,313</u>	<u>48,399</u>	<u>259,826</u>	<u>89,325</u>	<u>515,235</u>
Net Book Value						
At 31 December 2006	<u>546,103</u>	<u>21,770</u>	<u>128,820</u>	<u>246,802</u>	<u>146,940</u>	<u>1,090,435</u>
At 31 December 2007	<u>513,979</u>	<u>19,914</u>	<u>133,804</u>	<u>188,073</u>	<u>170,141</u>	<u>1,025,911</u>

5. DEBTORS AND PREPAYMENTS

	2007 €	2006 €
Prepayments	45,591	96,356
OPW	0	23,650
Accrued Interest	10,848	0
Others	8,433	3,312
	<u>64,872</u>	<u>123,318</u>

National Council for Special Education

Notes (forming part of the financial statements)

6. CREDITORS

	2007	2006
	€	€
Paye/Prsi	120,410	96,276
Other Payroll Deductions	141,082	873,664
Suppliers – Creditors	39,853	227,857
OPW	4,663	0
Accruals	318,906	149,519
PSWT	1,678	6,452
	<u>626,592</u>	<u>1,353,768</u>

7. CAPITAL ACCOUNT

	2007	2006
	€	€
Opening Balance	1,090,435	1,026,154
Income used to acquire Assets	145,161	223,091
Amortisation in line with asset depreciation	(209,685)	(158,810)
Transfer (to)/ from Income and Expenditure Account	(64,524)	64,281
Closing Balance	<u>1,025,911</u>	<u>1,090,435</u>

8. CONTINGENT LIABILITY

There are no contingent liabilities.

9. APPROVAL OF FINANCIAL STATEMENTS

The Financial Statements were approved by the Council on