

NATIONAL COUNCIL FOR SPECIAL EDUCATION

AN CHOMHAIRLE NÁISIÚNTA UM OIDEACHAS SPEISIALTA

Report and Financial Statements

For year ended 31 December 2019

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:

2019-2022
Mr Joe Hayes (Chairperson)
Mr Don Mahon (Deputy Chairperson)
Ms Áine Lynch
Ms Anne Tansey
Ms Antoinette Nic Gearailt
Ms Carol Cuffe ¹
Ms Clodagh Ní Mhaoilchiaráin
Ms Deirbhile Nic Craith
Mr. Dharragh Hunt
Mr. Eamon Clavin
Ms. Eileen Daly
Mr. Pat Goff
Mr. Peter Archer

Chief Executive:

Ms Teresa Griffin

Head Office:

1-2 Mill Street, Trim, Co. Meath

Accountants:

Mazars, Block 3, Harcourt Centre, Harcourt Road, Dublin 2

Auditors:

The Office of the Comptroller and Auditor General, 3A Mayor Street Upper, Dublin 1

Bankers:

Bank of Ireland, College Green, Dublin 2

Bank of Ireland, Market Square, Navan, Co Meath

Allied Irish Banks, 26 Patrick Street, Cork

¹ Ms Carol Cuffe resigned from NCSE Council on 9th September 2020



Ard Reachtaire Cuntas agus Ciste Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

National Council for Special Education

Opinion on the financial statements

I have audited the financial statements of National Council for Special Education for the year ended 31 December 2019 as required under the provisions of the Education for Persons with Special Educational Needs Act 2004. The financial statements comprise

- the statement of income and expenditure and retained revenue reserves
- the statement of comprehensive income
- the statement of financial position
- the statement of cash flows and
- the related notes, including a summary of significant accounting policies.

In my opinion, the financial statements give a true and fair view of the assets, liabilities and financial position of the Council at 31 December 2019 and of its income and expenditure for the year then ended in accordance with Financial Reporting Standard (FRS) 102 — *The Financial Reporting Standard applicable in the UK and the Republic of Ireland*.

Basis of opinion

I conducted my audit of the financial statements in accordance with the International Standards on Auditing (ISAs) as promulgated by the International Organisation of Supreme Audit Institutions. My responsibilities under those standards are described in the appendix to this report. I am independent of the Council and have fulfilled my other ethical responsibilities in accordance with the standards.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Report on information other than the financial statements, and on other matters

The Council has presented certain other information together with the financial statements. This comprises the governance statement and Council members' report and the statement on internal control.

My responsibilities to report in relation to such information, and on certain other matters upon which I report by exception, are described in the appendix to this report.

I have nothing to report in regard to those matters.

Patricia Sheehan
For and on behalf of the
Comptroller and Auditor General

30 September 2020

Appendix to the report

Responsibilities of Council members

The members are responsible for

- the preparation of financial statements in the form prescribed under the Education for Persons with Special Educational Needs Act 2004
- ensuring that the financial statements give a true and fair view in accordance with FRS102
- ensuring the regularity of transactions
- assessing whether the use of the going concern basis of accounting is appropriate, and
- such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Responsibilities of the Comptroller and Auditor General

I am required under the Education for Persons with Special Educational Needs Act 2004 to audit the financial statements of the Council and to report thereon to the Houses of the Oireachtas.

My objective in carrying out the audit is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement due to fraud or error. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the ISAs, I exercise professional judgment and maintain professional scepticism throughout the audit. In doing so,

- I identify and assess the risks of material misstatement of the financial statements whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- I obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls.
- I evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures.
- I conclude on the appropriateness of the use of the going concern basis of accounting and, based on the audit evidence obtained, on whether a material uncertainty exists related to events or conditions that may cast

significant doubt on the Council's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my report. However, future events or conditions may cause the Council to cease to continue as a going concern.

- I evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Information other than the financial statements

My opinion on the financial statements does not cover the other information presented with those statements, and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, I am required under the ISAs to read the other information presented and, in doing so, consider whether the other information is materially inconsistent with the financial statements or with knowledge obtained during the audit, or if it otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

Reporting on other matters

My audit is conducted by reference to the special considerations which attach to bodies in receipt of substantial funding from the State in relation to their management and operation. I report if I identify material matters relating to the manner in which public business has been conducted.

I seek to obtain evidence about the regularity of financial transactions in the course of audit. I report if I identify any material instance where public money has not been applied for the purposes intended or where transactions did not conform to the authorities governing them. I also report by exception if, in my opinion,

- I have not received all the information and explanations I required for my audit, or
- the accounting records were not sufficient to permit the financial statements to be readily and properly audited, or
- the financial statements are not in agreement with the accounting records.

National Council for Special Education

Governance Statement and Council Members' Report

Governance

The National Council for Special Education (NCSE) was established as an independent statutory body by order of the then Minister for Education and Science (now Skills) in December 2003. It was formally established under the Education for Persons with Special Educational Needs Act 2004 (EPSEN Act) with effect from 1st October 2005.

The functions of the Council are set out in section 20 of the EPSEN Act. The Council is accountable to the Minister for Education and Skills and is responsible for ensuring good governance. The CEO manages and controls generally the staff, administration and business of the Council as set out in section 24 of the EPSEN Act. The regular day-to-day management, control and direction of the NCSE are the responsibility of the Chief Executive Officer (CEO) and the senior management team. The CEO and the senior management team follow the strategic direction as set out in the Statement of Strategy (2017-2021) approved by the Council, and ensure that all Council members have a clear understanding of the key activities and decisions related to the entity, and of any significant risks likely to arise.

Council Responsibilities

The work and responsibilities of Council are set out in the EPSEN Act and Corporate Governance Guide for Council Members, which specifically set out matters reserved for Council. Council business and duties are further outlined in the Council Terms of Reference and Standing Orders. Standing items considered by Council include:

- declaration of interests
- reports from committees
- financial reports/management accounts
- performance reports
- reserved matters
- review of risks associated with NCSE

Section 29 of the EPSEN Act requires the Council of the NCSE to keep, in such form as may be approved by the Minister for Education and Skills with consent of the Minister for Public Expenditure and Reform, all proper and usual accounts of money received and expended by it. In preparing these financial statements, the Council of the NCSE is required to:

- select suitable accounting policies and apply them consistently
- make judgements and estimates that are reasonable and prudent
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that it will continue in operation
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.

The Council is also responsible for keeping adequate accounting records which disclose, with reasonable accuracy at any time, its financial position and enables it to ensure that the financial statements are in keeping with the requirements of the EPSEN Act. The NCSE adheres to government accounting procedures in the preparation of the financial statements and under the Financial Reporting Standard 102 (Financial Reporting Standard Applicable in the UK and Republic of Ireland).

National Council for Special Education

Governance Statement and Council Members' Report

The Council is responsible for approving the annual plan and budget. An evaluation of the performance of the NCSE by reference to the annual plan and budget was undertaken at the Council meeting on 11-12th December 2019. The Council is also responsible for safeguarding its assets and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Council also undertakes an appropriate assessment of NCSE's principal risks, including a description of these risks where appropriate and associated mitigation measures.

The Council considers that the financial statements of the NCSE give a true and fair view of the financial performance and the financial position of the NCSE at 31 December 2019.

Council Structure

The Council consists of a Chairperson, Deputy Chairperson and eleven ordinary members, all of whom are appointed by the Minister for Education and Skills. The term of the previous Council ended on 31st December 2018. In advance of this, the Minister appointed a Chairperson Designate and four ordinary members on 21 December 2018 for the period up to 31 December 2022. The Minister appointed a further eight members on the 19 February 2019, along with the Chairperson following his Oireachtas engagement, for the period up to 31 December 2022. Membership of the Council expires for all members on 31 December 2022.

The Council is obliged to meet a minimum of six times a year. In 2019 the Council met six times. The table below details the appointment period for current members:

Council Member	Role	Period of Appointment
Joe Hayes*	Chairperson	21 December 2018 – 31 December 2022
Don Mahon*	Deputy Chairperson	21 December 2018 – 31 December 2022
Peter Archer	Ordinary Member	19 February 2019 – 31 December 2022
Eamon Clavin	Ordinary Member	19 February 2019 – 31 December 2022
Carol Cuffe	Ordinary Member	19 February 2019 – 31 December 2022
Eileen Daly	Ordinary Member	19 February 2019 – 31 December 2022
Pat Goff	Ordinary Member	19 February 2019 – 31 December 2022
Dharragh Hunt	Ordinary Member	19 February 2019 – 31 December 2022
Aine Lynch *	Ordinary Member	21 December 2018 – 31 December 2022
Clodagh Ní Mhaoilchiaráin	Ordinary Member	19 February 2019 – 31 December 2022
Deirbhile Nic Craith	Ordinary Member	19 February 2019 – 31 December 2022
Antoinette Nic Gearailt*	Ordinary Member	21 December 2018 – 31 December 2022
Anne Tansey*	Ordinary Member	21 December 2018 – 31 December 2022

*Those members whose names are denoted with an * are serving a second consecutive term on Council*

The Council established five Committees under Section 33 of the EPSEN Act. The Committees report to Council in accordance with their terms of reference and governance guidelines as determined by the Council. Council members serve on one or more Committees. In the case of the Audit & Risk Committee, the Council has appointed an external Chairperson with relevant experience.

National Council for Special Education

Governance Statement and Council Members' Report

The Committees are as follows:

1. Audit and Risk Committee

The Committee comprises four Council members, the Chief Executive Officer and an external Chairperson. The role of the Audit and Risk Committee is to support the NCSE Council in its responsibilities for issues of risk, control and governance by reviewing the comprehensiveness of assurances in meeting the Council's assurance needs and reviewing the reliability and integrity of these assurances.

The Committee is independent in the performance of its functions and responsibilities and in the determination and monitoring of its work programme. It is not subject to direction or control from any other party which could impair the carrying out of its functions. The Committee meets at least four times a year and minutes are circulated to all members of Council. The Audit and Risk Committee reports to the Council after each Committee meeting.

The members of the Audit and Risk Committee are: Lisa Campbell (Chairperson), Peter Archer, Don Mahon and Antoinette Nic Gearailt. There were four meetings of the Audit and Risk Committee in 2019.

2. CEO Performance Committee

The CEO Performance Committee comprises three Council members including the Council Chairperson. The Committee's role is to review the performance of the CEO in relation to the organisational Business Plan. There are at least two meetings each year. The members of the CEO Performance Committee are: Joe Hayes (Chairperson), Peter Archer and Antoinette Nic Gearailt. There were two meetings of the CEO Performance Committee in 2019.

3. Finance Committee

The Finance Committee comprises four Council members. The role of the Finance Committee is to update and advise the Council on its financial position. The Committee's role is advisory, to report and make recommendations, in order to support Council financial decision making. The members of the Finance Committee are: Antoinette Nic Gearailt (Chairperson), Eileen Daly, Deirbhile Nic Craith and Pat Goff. There were five meetings of the Finance Committee in 2019.

4. Research Committee

The Research Committee comprises four Council members. The Research Committee advises Council on the research policy and programme and makes appropriate expert inputs into the strategic development of the Council's research policy including its multi-annual research programme. The members of the Research Committee are: Peter Archer (Chairperson), Dharragh Hunt, Áine Lynch and Anne Tansey. There were four meetings of the Research Committee in 2019.

5. Strategy and Policy Committee

The Strategy and Policy Committee comprises four Council members. Its role is to make appropriate inputs into the development of policy advice and ongoing NCSE strategic activities. The members of the Strategy and Policy Committee are Don Mahon (Chairperson), Eamon Clavin, Carol Cuffe and Clodagh Ni Mhaoilchiaráin. There were six meetings of the Strategy and Policy Committee in 2019.

National Council for Special Education

Governance Statement and Council Members' Report

Schedule of Attendance, Fees and Expenses

A schedule of attendance at the Council and Committee meetings for 2019 is set out below, including the fees and expenses received by each member for their Council duties.

	Council	Audit & Risk C'ttee	CEO Performance C'ttee	Finance C'ttee	Research C'ttee	Strategy & Policy C'ttee	Fees 2019 €	Expenses 2019 €
Number of meetings								
Joe Hayes	6		2					1,539
Don Mahon	6	4				6		598
Peter Archer	4	4	2		4			
Eamon Clavin	5					6		
Carol Cuffe	3					4		
Eileen Daly	5			5				
Pat Goff	5			5				1,490
Dharragh Hunt	5				4			
Áine Lynch	5				3			
Clodagh Ni Mhaoilchiaráin	4					6		
Deirbhile Nic Craith	5			5				327
Antoinette Nic Gearailt	6	3	2	5				
Anne Tansey	5				3			
Lisa Campbell ²	N/A	4						
Total	<u>6</u>	<u>4</u>	<u>2</u>	<u>5</u>	<u>4</u>	<u>6</u>		<u>3,954</u>

Council members are not paid fees in respect of their role as Council members of the NCSE.

Key Personnel Changes

Further to the Council being appointed as outlined above, there were no further changes to it during 2019.

Disclosures Required by Code of Practice for the Governance of State Bodies (2016)

The Council is responsible for ensuring that the NCSE has complied with the requirements of the Code of Practice for the Governance of State Bodies ("the Code"), as published by the Department of Public Expenditure and Reform in August 2016. The disclosures overleaf are required by the Code.

² Lisa Campbell is not a member of the Council. She was appointed as an external Chairperson with relevant experience to the Audit and Risk Committee.

National Council for Special Education

Governance Statement and Council Members' Report

Employee Short-Term Benefits Breakdown

Employees' short-term benefits in excess of €60,000 are categorised into the following bands:

Range of total employee benefits		Number of employees	
From	To	2019	2018
€60,000 -	€69,999	67	65
€70,000 -	€79,999	7	7
€80,000 -	€89,999	3	3
€90,000 -	€99,999	-	-
€100,000 -	€109,999	3	3
€110,000 -	€119,999	-	-
€120,000 -	€129,999	-	-
€130,000 -	€139,999	-	-
€140,000 -	€149,999	1	1
€150,000 +		-	-

The Chief Executive Officer (CEO) is a civil service Assistant Secretary General. Total CEO remuneration for the financial period was €148,620 (2018: €143,445).

The total remuneration for key management personnel for 2019 totalled €542,801 (2018: €560,017). Key management personnel consist of the CEO and four Principal Officers who report directly to the CEO.

Consultancy Costs

Consultancy costs include the cost of external advice to management and exclude outsourced 'business-as-usual' functions.

	2019	2018
	€	€
General Financial / Actuarial advice	1,230	1,784
General Legal Advice	-	25,495
IT Consultancy	308	1,230
Research Consultancy	55,350	68,331
Communications Advice	9,230	15,146
ISTP Project Consultancy	80,954	-
Other	-	14,118
Total Consultancy Costs	<u>147,072</u>	<u>126,104</u>

Legal Costs and Settlements

The table below provides a breakdown of amounts recognised as expenditure in the reporting period in relation to legal proceedings. It does not include expenditure incurred in relation to general legal advice received by the NCSE which is disclosed in Consultancy costs above.

	2019	2018
	€	€
Legal Costs	26,517	18,228

National Council for Special Education

Governance Statement and Council Members' Report

Travel and Subsistence Expenditure

Travel and subsistence expenditure is categorised as follows:

	2019	2018
	€	€
Domestic:		
Council ³	3,113	14,776
Employees	1,440,398	1,366,355
International:		
Council	841	Nil
Employees	6,493	4,410
Total	<u>1,450,845</u>	<u>1,385,541</u>

Travel and subsistence for participants attending professional development initiatives is recorded separately in the Note 4. Expenditure Table.

Hospitality Expenditure:

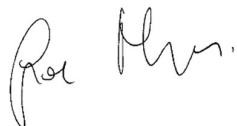
The hospitality expenditure is as follows:

	2019	2018
	€	€
Hospitality	=	<u>700</u>

Statement of Compliance

The Council has adopted the Code of Practice for the Governance of State Bodies (2016) and has put procedures in place to ensure compliance with the Code. The NCSE has complied with the requirements of the Code of Practice for the Governance of State Bodies in 2019.

Signed:



Joseph Hayes
Chairperson



Teresa Griffin
Chief Executive

Date: 23RD September 2020

Date: 23rd September 2020

³ Council expenditure relates to Council business related expenses only.

National Council for Special Education

Statement on Internal Control

Scope of Responsibility

On behalf of the Council of the NCSE, I acknowledge the Council's responsibility for ensuring that an effective system of internal control is maintained and operated. This responsibility takes account of the requirements of the Code of Practice for the Governance of State Bodies (2016).

Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a tolerable level rather than to eliminate it. The system can therefore only provide reasonable and not absolute assurance that assets are safeguarded, transactions authorised and properly recorded and that material errors or irregularities are either prevented or detected in a timely way.

The system of internal control, which accords with guidance issued by the Department of Public Expenditure and Reform has been in place in the NCSE for the year ended 31 December 2019 and up to the date of approval of the financial statements except for one item outlined below in the paragraph on internal control issues.

Capacity to Handle Risk

The NCSE Council has an Audit and Risk Committee (ARC) comprising three Council members and one external member, with financial and audit expertise, who is the Committee Chairperson. The ARC met four times in 2019.

The NCSE Council has also established an internal audit function which is adequately resourced and conducts a programme of work agreed with the ARC and approved by the NCSE Council.

The ARC has developed a risk management policy which has been approved by the NCSE Council and which sets out the NCSE risk appetite, the risk management processes in place and details the roles and responsibilities of staff in relation to risk. The policy has been issued to all staff who are expected to work within the NCSE's risk management policies, to alert management on emerging risks and control weaknesses and assume responsibility for risks and controls within their own area of work.

Risk and Control Framework

The NCSE has implemented a risk management system which identifies and reports key risks and the management actions being taken to address and, to the extent possible, to mitigate those risks.

A risk register is in place which identifies the key risks facing the NCSE and these have been identified, evaluated and graded according to their significance. The register is reviewed and updated by the ARC on an annual basis. The outcome of these assessments is used to plan and allocate resources to ensure risks are managed to an acceptable level.

The risk register details the controls and actions needed to mitigate risks and responsibility for operation of controls assigned to specific staff. I confirm that a control environment containing the following elements is in place:

- procedures for all key business processes have been documented, financial responsibilities have been assigned at management level with corresponding accountability;
- an appropriate budgeting system with an annual budget which is kept under review by senior management;

National Council for Special Education

Statement on Internal Control

- systems aimed at ensuring the security of the information and communication technology systems; and
- systems in place to safeguard the assets.

Ongoing Monitoring and Review

Formal procedures have been established for monitoring control processes and control deficiencies are communicated to those responsible for taking corrective action and to management and the Council, where relevant, in a timely way.

I confirm that the following ongoing monitoring systems are in place:

- key risks and related controls have been identified and processes have been put in place to monitor the operation of those key controls and report any identified deficiencies;
- reporting arrangements have been established at all levels where responsibility for financial management has been assigned; and
- there are regular reviews by senior management of periodic and annual performance and financial reports which indicate performance against budgets/forecasts.

Financial Management and Reporting

The Code of Practice requires the ARC to review draft accounts before recommending their adoption by Council in advance of submission for audit. The ARC reviewed the draft accounts on the 18th February 2020 and recommended their adoption by Council. Council adopted the draft accounts at its meeting on 26th February 2020.

Procurement

I confirm that the NCSE has procedures in place to ensure compliance with current procurement rules and guidelines. Matters arising regarding controls over procurement are highlighted under internal control issues below.

Review of Effectiveness

I confirm that the NCSE has procedures to monitor the effectiveness of its risk management and control procedures. The NCSE's monitoring and review of the effectiveness of the system of internal financial control is informed by the work of the internal and external auditors, the Audit and Risk Committee which oversees their work, and the senior management within the NCSE responsible for the development and maintenance of the internal financial control framework.

I can confirm that Council conducted its annual review of effectiveness of internal controls at its meeting on 26th February 2020.

National Council for Special Education

Statement on Internal Control

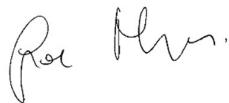
Internal Control Issues

During 2019, expenditure to the value of €449,930 involving 17 suppliers was incurred in relation to goods and services where the procedures employed did not comply with procurement guidelines.

- In seven cases involving expenditure of €184,136, a tender has been conducted and a contract awarded;
- In six cases, involving expenditure of €150,050, the contract has already been discontinued or will be discontinued before the end of 2020;
- In the remaining four cases with expenditure of €115,744, procurement processes are at planning stage or in some cases are underway.

The Council approved the new NCSE Corporate Procurement Plan 2019-2022 in October 2019 and receives monitoring and compliance reports on a quarterly basis regarding procurement practices across the NCSE.

Signed:



Joseph Hayes
Chairperson
National Council for Special Education

Date: 23RD September 2020

National Council for Special Education

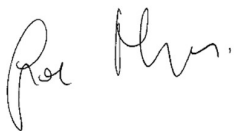
Statement of Income and Expenditure and Retained Revenue Reserves for the year ended 31 December 2019

	Notes	2019 €	2018 €
Income			
State grant	2	14,430,776	13,066,334
Transfer to capital account	11	(19,940)	(121,556)
Other income	3	<u>3,050</u>	<u>15,445</u>
Total income		<u>14,413,886</u>	<u>12,960,223</u>
Expenditure	4	<u>(14,528,369)</u>	<u>(12,978,455)</u>
Deficit for the year		<u>(114,483)</u>	<u>(18,232)</u>
Retained revenue reserves at beginning of year		<u>(143,091)</u>	<u>(124,859)</u>
Retained revenue reserves at end of year		<u>(257,574)</u>	<u>(143,091)</u>

All items of income and expenditure relate to continuing activities.

Notes 1 to 18 form part of these financial statements.

Signed:



Joseph Hayes
Chairperson



Teresa Griffin
Chief Executive

Date: 23RD September 2020

Date: 23rd September 2020

National Council for Special Education

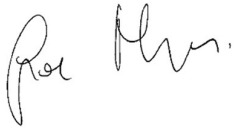
Statement of Comprehensive Income for the year ended 31 December 2019

	Notes	2019 €	2018 €
Deficit for the year		(114,483)	(18,232)
Actuarial loss on pension liabilities	7	(8,600)	(18,700)
Adjustment to deferred pension funding asset	7	<u>8,600</u>	<u>18,700</u>
Total comprehensive deficit for the year		<u>(114,483)</u>	<u>(18,232)</u>

All items of income and expenditure relate to continuing activities.

Notes 1 to 18 form part of these financial statements.

Signed:



Joseph Hayes
Chairperson



Teresa Griffin
Chief Executive

Date: 23RD September 2020

Date: 23rd September 2020

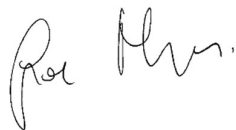
National Council for Special Education

Statement of Financial Position at 31 December 2019

	Notes	2019 €	2018 €
NON CURRENT ASSETS			
Property, plant and equipment	8	<u>633,632</u>	<u>613,692</u>
CURRENT ASSETS			
Receivables	9	159,824	116,885
Cash and cash equivalents		<u>459,185</u>	<u>471,221</u>
TOTAL CURRENT ASSETS		619,009	588,106
CURRENT LIABILITIES			
Amounts falling due within one year	10	<u>(876,583)</u>	<u>(731,197)</u>
NET CURRENT LIABILITIES		<u>(257,574)</u>	<u>(143,091)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		376,058	470,601
RETIREMENT BENEFITS			
Retirement benefit obligations	7	(87,000)	(38,000)
Deferred retirement benefit funding asset	7	<u>87,000</u>	<u>38,000</u>
TOTAL NET ASSETS		<u>376,058</u>	<u>470,601</u>
CAPITAL AND RESERVES			
Retained revenue reserves		(257,574)	(143,091)
Capital account	11	<u>633,632</u>	<u>613,692</u>
		<u>376,058</u>	<u>470,601</u>

Notes 1 to 18 form part of these financial statements.

Signed:



Joseph Hayes
 Chairperson



Teresa Griffin
 Chief Executive

Date: 23RD September 2020

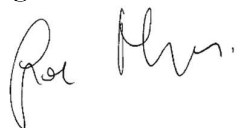
Date: 23rd September 2020

National Council for Special Education
Statement of Cash Flows
for the year ended 31 December 2019

	Notes	2019 €	2018 €
Reconciliation of operating (deficit) to net cash inflow from operating activities			
Operating (deficit) for year		(114,483)	(18,232)
Depreciation	8	170,458	142,727
Transfer to capital account	11	19,940	121,556
(Increase)/Decrease in receivables	9	(42,939)	35,853
Increase/(Decrease) in payables	10	<u>145,386</u>	<u>(254,892)</u>
Net cash inflow from operating activities		178,362	27,012
Cash flow from investing activities			
Payments to acquire property, plant and equipment	8	<u>(190,398)</u>	<u>(264,283)</u>
Decrease in cash and cash equivalents		<u>(12,036)</u>	<u>(237,271)</u>
Cash and cash equivalents at 1 January		471,221	708,492
Cash and cash equivalents at 31 December		<u>459,185</u>	<u>471,221</u>
Decrease in cash and cash equivalents		<u>(12,036)</u>	<u>(237,271)</u>

Notes 1 to 18 form part of these financial statements.

Signed:



Joseph Hayes
Chairperson



Teresa Griffin
Chief Executive

Date: 23RD September 2020

Date: 23rd September 2020

National Council for Special Education

Notes (forming part of the financial statements)

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

1.1 Basis of preparation

The financial statements have been prepared in compliance with Financial Reporting Standard 102 “The Financial Reporting Standard Applicable in the UK and Republic of Ireland” (“FRS102”). The financial statements have been prepared on the accrual basis of accounting, with the exception of income as detailed in Note 1.4 below, and in accordance with generally accepted accounting principles under the historical cost convention.

1.2 Reporting currency

The financial statements of the Council are presented in Euro (“€”) which is also the functional currency of the Council. Transactions denominated in foreign currencies are recorded at the rate of exchange ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into euro at year end rates. The resulting exchange differences are dealt with in the determination of income and expenditure for the financial year.

1.3 Going Concern

The NCSE meets its day-to-day working capital requirements through its funding activities and cash balances. The Council have a reasonable expectation that the NSCE has adequate resources to continue in operational existence for the foreseeable future. Therefore these entity financial statements have been prepared on a going concern basis.

1.4 Accounting period

The Financial Statements cover the year 1 January 2019 to 31 December 2019.

1.5 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;
- by the Department of Children and Youth Affairs for the year by way of grant for the In School Therapy Project; and
- by way of online payment from online library.

National Council for Special Education

Notes (forming part of the financial statements)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

1.6 Property, plant and equipment

Property, plant and equipment 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
Office equipment	5 years
Computer equipment	5 years
Leasehold refurbishment	19 years
Computer software/website	3 years

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. The estimated useful lives, residual values and depreciation methods are reviewed, and adjusted as appropriate, at the end of each financial year.

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 2016.

1.7 Capital account

The capital account represents the unamortised value of the income used to finance fixed assets.

1.8 Employee benefits

The Council provides a range of benefits to employees, including paid holiday arrangements.

Short term benefits

Short term benefits, including holiday pay, are recognised as an expense in the period in which the service is received.

Retirement benefit cost

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. Benefit entitlements of staff will be a function of their service with the Council and of their previous service in the civil or public service, where appropriate. The Council is not funded in respect of such benefit entitlements. As a result, the requirements in FRS 102 with regard to defined benefit plans are not deemed to apply and no further disclosures are considered necessary.

National Council for Special Education

Notes (forming part of the financial statements)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

1.8 Employee benefits (continued)

Retirement benefit cost (continued)

New entrant staff employed by the Council after 1 January 2013 are members of the Single Public Service Pension Scheme in accordance with Public Service Pensions (Single Scheme and Other Provisions) Act 2012. The Council makes the necessary deductions from salaries for staff who are part of the scheme. See Note 7 for further details.

1.9 Use of judgement and estimates

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the entities accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

2. INCOME	2019 €	2018 €
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)	12,161,500	12,180,246
In School Therapy Project	1,921,500	745,000
The Department of Children and Youth Affairs made the following funds available to the Council:		
Grant to the Council:		
In School Therapy Project Funding (DCYA)	<u>347,776</u>	<u>141,088</u>
	<u>14,430,776</u>	<u>13,066,334</u>
3. OTHER INCOME	2019 €	2018 €
Rental income	-	5,269
Freedom of Information	30	6
Online library fee	<u>3,020</u>	<u>10,170</u>
Total other income	<u>3,050</u>	<u>15,445</u>

National Council for Special Education

Notes (forming part of the financial statements)

4. EXPENDITURE	2019	2018
	€	€
Printing, postage and stationery	260,197	365,490
Rent and rates	572,705	561,265
Telephone	273,705	233,719
Light and heat	61,724	54,617
Repairs and maintenance	83,874	84,420
Training and development	145,867	68,795
Training participants (CPD) ⁴	558,661	647,112
Travel and subsistence expenses ⁵	1,450,845	1,385,541
Travel and subsistence participants ⁶	292,296	407,482
Meeting expenses ⁷	84,756	60,194
General expenses	25,205	8,233
Recruitment fees	6,092	5,146
Research expenditure	29,227	72,326
IT expenses	370,460	370,926
Consultancy fees ⁸	147,072	126,104
Outsourced services ⁹	309,039	468,345
Professional services & intervention ¹⁰	536,953	199,158
Internal audit fee	15,110	37,828
External audit fee	20,000	28,918
Accountancy fees	45,176	23,235
Restructuring costs	139,398	-
Project costs	7,990	-
Legal fees	26,517	18,228
In School Therapy Project contract	1,968,968	694,847
Debtors historic write off	-	722
Wages & salaries (Note 5)	6,366,044	6,368,102
Employers PRSI	560,030	544,975
Depreciation	<u>170,458</u>	<u>142,727</u>
Total Expenditure	<u>14,528,369</u>	<u>12,978,455</u>

⁴ This reflects the training costs associated with providing CPD for participants such as venue costs, lecturer costs and course fees.

⁵ Travel and subsistence expenses increased in 2019 due to additional staff and extensive travel costs, based on the peripatetic nature of work involved. Foreign travel and subsistence expenses in the year amounted to €7,334 (2018: €4,410). All other travel and subsistence expenses were domestic.

⁶ This reflects the travel and subsistence costs incurred by participants attending CPD courses.

⁷ The NCSE did not incur any entertainment expenditure in the year (2018: nil).

⁸ Consultancy fees were incurred in relation to communication services, IT, research, legal advice, financial and actuarial advice.

⁹ This reflects the administration costs associated with the provision of services and salaries through the Education Centres.

¹⁰ This reflects costs incurred by the provision of services such as occupational therapy, speech and language therapy, literacy and numeracy interventions, behaviour improvement interventions and professional assessments.

National Council for Special Education

Notes (forming part of the financial statements)

5. 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 NCSE at year end 2019 was 117 (2018: 101), made up of 81 Local Services staff (2018: 73) and 36 Head Office staff (2018: 28).

Expenditure on salaries for Local Services staff amounted to €4,595,739 (2018: €4,802,798), In School Therapy Project contract Staff €87,686 (2018: 57,964) and Head Office staff salaries to €1,682,619 (2018: €1,507,340) giving a total of €6,366,044 (2018: €6,368,102). These totals include €579 paid as overtime and €59,256 paid as higher duty allowances.

Superannuation contributions of €307,674 were deducted from staff salaries during the year (2018: €269,339). The NCSE remitted €311,307 to the Department of Education & Skills during the year (2018: €252,350).

Pension related deductions of €284,755 were made from staff salaries during the year (2018: €384,733). The NCSE remitted €284,694 to the Department of Education & Skills during the year (2018: €381,115).

The cost of staff providing a range of services for which the NCSE is responsible for but for which the staff are employed by DES or boards of management is not charged to the NCSE accounts.

6. EXPENSES, COUNCIL MEMBER FEES AND CEO REMUNERATION

Council members are not paid fees in respect of their role as Council members of the NCSE. Council members are entitled to claim travel & subsistence expenses, in 2019 this amounted to €3,113 (2018: €13,260).

The Chief Executive Officer (CEO) is a civil service Assistant Secretary General. CEO remuneration for the financial period was €148,620 in 2019 (2018: €143,445). 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 1.7. Employee Benefits.

The total remuneration for key management personnel for 2019 totalled €542,801 (2018: €560,017). Key management personnel consist of the CEO and the Principal Officers who report directly to the CEO.

National Council for Special Education

Notes (forming part of the financial statements)

7. RETIREMENT BENEFIT COSTS

A defined benefit superannuation scheme applies to the staff of the NCSE. The Civil Service Superannuation Schemes are defined benefit schemes which are unfunded and administered by the Department of Public Expenditure and Reform. Benefits are financed on a “pay-as-you-go” basis, there are no assets held in respect of the accrued pension liabilities of NCSE staff, and there is no charge to the Income and Expenditure Account.

The NCSE also operates the Single Public Service Pension Scheme (the “Plan”) which applies to 21 staff members who joined the public sector as new entrants on or after 1st January 2013. It is a defined benefit pension scheme which the NCSE has accounted for in estimating its defined benefit retirement obligations in accordance with FRS 102. All employee retirement benefit contributions for this scheme are paid to a State retirement benefit account. The scheme operates on a pay-as-you-go basis payable from the NCSE’s core funding. Superannuation entitlements arising under this scheme are charged to the Income and Expenditure Account in the year in which they are earned.

The evaluation methodology used has been based on a full actuarial valuation made by a qualified independent actuary taking into account the requirements of FRS 102 in order to assess the schemes’ liabilities as at 31 December 2019.

The financial assumptions used to calculate scheme liabilities were as follows:

	2019	2018
Discount Rate	1.27%	1.97%
Price Inflation	1.55%	1.83%
Salary Increases	2.55%	2.83%
State Pension Increases	1.55%	1.83%
Assumed Pension Increases	1.55%	1.83%

Life expectancy

The mortality basis explicitly allows for improvements in life expectancy over time, so that life expectancy at retirement will depend on the year in which a member attains retirement age. The table below shows the life expectancy for members attaining age 65 in 2019 and 2039.

Year of attaining age 65	2019	2039
Life expectancy – male (in years)	19.2	21.4
Life expectancy – female (in years)	21.5	23.4

National Council for Special Education

Notes (forming part of the financial statements)

7. RETIREMENT BENEFIT COSTS *(continued)*

(a) Analysis of the amount charged to operating profit

	2019	2018
	€	€
Current service costs	39,700	14,700
Interest on defined benefit liabilities	700	100
Costs of termination benefits	—	—
	<u>40,400</u>	<u>14,800</u>
Funding recoverable in respect of current year retirement costs	<u>40,400</u>	<u>14,800</u>

(b) Deferred retirement benefit funding asset

The NCSE recognises this amount as an asset corresponding to the unfunded deferred liability for pensions on the basis of the set of assumptions described above and a number of past events. These events include the statutory basis for the establishment of the Plan, and the policy and practice currently in place in relation to funding public service pensions including contributions by employees and the annual estimates process.

The NCSE has no evidence that this funding policy will not continue to meet such sums in accordance with current practice. In the case that a future asset is established for the SPSS obligations, the payment of these obligations will be funded centrally.

(c) Movement in defined benefit obligations

	2019	2018
	€	€
Net retirement benefit obligation as at 1 January 2019	(38,000)	(4,500)
Employee full service cost	(39,700)	(14,700)
Net interest on net defined liability	(700)	(100)
Actuarial loss during the year	(8,600)	(18,700)
Pensions paid in the year	—	—
Net retirement benefit obligation as at 31 December 2019	<u>(87,000)</u>	<u>(38,000)</u>

(d) Actuarial gain/(loss)

	2019	2018
	€	€
Actuarial loss during the year	(8,600)	(18,700)
Experience loss in the year	—	—
Total actuarial loss for the year ended 31 December 2019	<u>(8,600)</u>	<u>(18,700)</u>

National Council for Special Education

Notes (forming part of the financial statements)

8. PROPERTY, PLANT AND EQUIPMENT	Leasehold refurbishment	Office equipment	Furniture	Computer Equipment	Computer software/ website	Total
Cost	€	€	€	€	€	€
At 1 January 2019	610,351	153,109	591,606	915,218	446,126	2,716,410
Additions	-	8,635	7,588	174,175	-	190,398
Disposals	-	-	-	(45,045)	-	(45,045)
At 31 December 2019	<u>610,351</u>	<u>161,744</u>	<u>599,194</u>	<u>1,044,348</u>	<u>446,126</u>	<u>2,861,763</u>
Accumulated depreciation						
At 1 January 2019	449,733	96,458	543,204	573,926	439,397	2,102,718
Charge for the year	32,124	19,599	14,262	97,744	6,729	170,458
Disposals	-	-	-	(45,045)	-	(45,045)
At 31 December 2019	<u>481,857</u>	<u>116,057</u>	<u>557,466</u>	<u>626,625</u>	<u>446,126</u>	<u>2,228,131</u>
Net book value						
At 31 December 2018	<u>160,618</u>	<u>56,651</u>	<u>48,402</u>	<u>341,292</u>	<u>6,729</u>	<u>613,692</u>
At 31 December 2019	<u>128,494</u>	<u>45,687</u>	<u>41,728</u>	<u>417,723</u>	-	<u>633,632</u>
Prior year						
	Leasehold refurbishment	Office equipment	Furniture	Computer Equipment	Computer software/ website	Total
Cost	€	€	€	€	€	€
At 1 January 2018	610,351	147,797	564,719	683,134	446,126	2,452,127
Additions	-	5,312	26,887	232,084	-	264,283
Disposals	-	-	-	-	-	-
At 31 December 2018	<u>610,351</u>	<u>153,109</u>	<u>591,606</u>	<u>915,218</u>	<u>446,126</u>	<u>2,716,410</u>
Accumulated depreciation						
At 1 January 2018	417,609	78,186	529,566	513,437	421,193	1,959,991
Charge for the year	32,124	18,272	13,638	60,489	18,204	142,727
Disposals	-	-	-	-	-	-
At 31 December 2018	<u>449,733</u>	<u>96,458</u>	<u>543,204</u>	<u>573,926</u>	<u>439,397</u>	<u>2,102,718</u>
Net book value						
At 31 December 2017	<u>192,742</u>	<u>69,611</u>	<u>35,153</u>	<u>169,697</u>	<u>24,933</u>	<u>492,136</u>
At 31 December 2018	<u>160,618</u>	<u>56,651</u>	<u>48,402</u>	<u>341,292</u>	<u>6,729</u>	<u>613,692</u>

National Council for Special Education

Notes (forming part of the financial statements)

9.	RECEIVABLES	2019	2018
		€	€
	Prepayments	102,623	112,403
	Receivables	54,719	4,482
	Payroll deductions	<u>2,482</u>	<u>—</u>
		<u>159,824</u>	<u>116,885</u>
	All receivables are due within one year.		
10.	CURRENT LIABILITIES	2019	2018
	Amounts falling due within one year	€	€
	Supplier payables	37,629	114,572
	Deferred income	28,184	-
	VAT	9,143	2,434
	PSWT	-	9,951
	Provision for holiday pay	206,635	273,218
	Accruals	591,113	288,125
	Other payables	<u>3,879</u>	<u>42,897</u>
		<u>876,583</u>	<u>731,197</u>
11.	CAPITAL ACCOUNT	2019	2018
		€	€
	Opening balance	613,692	492,136
	Income used to acquire assets	190,398	264,283
	Amortisation in line with asset depreciation	<u>(170,458)</u>	<u>(142,727)</u>
	Transfer from income and expenditure account	<u>19,940</u>	<u>121,556</u>
	Closing balance	<u>633,632</u>	<u>613,692</u>

12. COMMITMENTS UNDER 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. Seven offices are operated through lease agreements* between the NCSE and commercial bodies.

National Council for Special Education

Notes (forming part of the financial statements)

12. COMMITMENTS UNDER OPERATING LEASES (continued)

The NCSE have letting agreements with 5 commercial bodies:

- Lease 1 for 3 years commencing 1 December 2019, annual rent €11,660
- Lease 2 for 2 years commencing 1 August 2018, annual rent €14,760
- Lease 3 for 4 years 9 months commencing 1 August 2015, annual rent €10,000
- Lease 4 for 3 years commencing 1 November 2018, annual rent €18,450
- Lease 5 for 1 year commencing 27 August 2019, annual rent €120,552
- Lease 6 for 3 years commencing 1 January 2020, annual rent €7,786

The annual rental charged to the Income & Expenditure account for lease agreements amounted to €142,878 (2018: €86,030) which included additional rental not covered under an agreement.

At the year end, the Council has minimum lease payments under operating leases that fall due as follows:

	2019	2018
	€	€
within 1 year	128,776	126,723
during the years 2 to 5	53,295	63,127
expiring thereafter	-	-
	<u>182,071</u>	<u>189,850</u>

*These agreements are not subject to rent reviews.

13. 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 with an annual rental charge of €87,646. In addition, the NCSE has rental arrangements in place with the OPW on 20 other properties. There is no current written agreement between OPW and NCSE in relation to this and OPW have advised that they are looking into this as part of their overall remit of supplying office rental to Government bodies/agencies.

NCSE occupies premises in 5 Education Centres. There are written agreements in place for two of these and three had no written agreements in 2019 (two of these now have agreements in place in 2020). In addition, NCSE occupies a premise in 1 primary school with no written agreement in 2019, though one is now in place in 2020.

The NCSE has 6 letting agreements with 5 commercial bodies and also rents a premise from another commercial body where there is no letting agreement in place.

The total annual rental charge included in the financial statements for 2019 is €504,857 (2018: €555,311).

National Council for Special Education

Notes (forming part of the financial statements)

14. 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. Any deficit is met by future funding provided to the NCSE by the Department of Education and Skills. On this basis the Council considers it is appropriate to continue to adopt the going concern basis for the preparation of the financial statements.

The NCSE is required to accrue for the cost of unused annual leave entitlements at the end of each reporting period (Note 10). €206,635 was accrued at the year ended 31 December 2019 (2018: €273,218). All annual leave accumulated at end of year is subject to the rules of Circular 27/03 and Circular Letter 06/2011. These allow for the carryover of some annual leave subject to limits, and also forfeiture of excessive annual leave accrued by staff members.

15. POST BALANCE SHEET EVENTS

In relation to the Covid-19 global pandemic which emerged in early 2020, the NCSE has responded to the crisis in line with government guidance. Staff have been working from home, with the support of IT systems, using various tools to continue their work. The organisation has moved to make more resources available online for students, parents and teachers. We continue to explore opportunities to enhance our online offerings. We have maintained our regular meetings of Council, which are now online. Management meet frequently to discuss responses to the challenges which invariably arise. We continue to make payments to suppliers without disruption or reduction in controls. However, given that schools have been closed, and the general restrictions which are in place, there has been a slowdown in spend and the organisation is in regular contact with the Department of Education & Skills with regard to this. The Council considers that, as the organisation provides a public service that is funded by money provided by the Exchequer, via its parent department, the Department of Education and Skills, it is appropriate to prepare these financial statements on a going concern basis.

16. 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 2016 in relation to the disclosures of interests of Council Members.

17. PRIOR YEAR COMPARATIVES

Where applicable, the comparatives for the prior year have been regrouped/reclassified in the current year for the purposes of comparability and consistency and to improve the presentation of the financial statements.

18. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Chairperson and CEO on 23rd September 2020.