

# **Financial Statements**

## **for the year ended 31 December 2017**

**An Chomhairle Mhúinteoireachta**  
**The Teaching Council**

**Council Information**

**Chairperson:**

Gerry Quinn (resigned as Chairperson 3 July 2017)

Noelle Moran (elected as Chairperson 27 November 2017)

**Deputy-Chairperson:**

Sean McMahon

**Council Members:**

Elizabeth Cooney

Michael Delargey

Karen Devine

Catherine Doolan

Niall Duddy

Patricia Duffy

Peter Finnegan

Dr. Mary Fleming

Pat Gilmore

Mairéad Glynn

Colm Harte

John Holian

Declan Kelleher

Ferdia Kelly

Gregor Kerr

Martin Lally

Gerry Leydon (appointed 27 November 2017)

Máire Lineen

Áine Lynch

Denis Magner

Claire Markey

Paul Mooney

Yvonne Ní Mhurchu (resigned 17 September 2017)

Seamus Mulconry

Deirdre O'Connor

Séamus O'Connor

Prof. Pádraig Ó'Duibhir

Seamus Ó Fearraigh

Prof. Anne O'Gara

Cathnia Ó Muirheartaigh (appointed 31 October 2017)

Seán O'Neill

Prof. Mary O'Sullivan

Gerry Quinn

Eamonn Shaughnessy

Tracie Tobin

Frank Turpin

**An Chomhairle Mhúinteoireachta**  
**The Teaching Council**

**Council Information**

**Auditors**

Anne Brady McQuillans DFK  
Chartered Accountants  
& Registered Auditors  
Iveagh Court  
Harcourt Road  
Dublin 2

**Business Address**

Block A  
Maynooth Business Campus  
Maynooth  
Co. Kildare

**Bankers**

Bank of Ireland  
Main Street  
Maynooth  
Co. Kildare

AIB Bank plc  
Main Street  
Maynooth  
Co. Kildare

**Solicitors**

McDowell Purcell Partnership  
Solicitors  
The Capel Building  
Mary's Abbey, Dublin 7

Byrne Wallace  
Solicitors  
88 Harcourt Street  
Dublin 2

**An Chomhairle Mhúinteoireachta**  
**The Teaching Council**

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## **An Chomhairle Mhúinteoireachta**

### **The Teaching Council**

#### **Governance**

The Teaching Council was established under the Teaching Council Act 2001. The functions of the Council are set out in section 7 of this Act. The Council is accountable to the Minister for Education and Skills and is responsible for ensuring good governance and performs this task by setting strategic objectives and targets and taking strategic decisions on all key business issues. The day-to-day management, control and direction of the Teaching Council are the responsibility of the Director/CEO and the senior management team. The Director/CEO and the senior management team must follow the broad strategic direction set by the Council, and must ensure that all Council members have a clear understanding of the key activities and decisions related to the organisation, and of any significant risks likely to arise. The Director/CEO acts as a direct liaison between the Council and the management of the Teaching Council.

#### **Council Responsibilities**

The duties and responsibilities of the Council are set out in its Code of Practice which also contains the matters specifically reserved for Council decision. Standing items considered by the Council include:

- Declaration of interests
- Approval of minutes of previous meetings
- The Director's Report
- To receive and consider reports from committees and make decisions where appropriate
- Reserved matters

Section 18 of the Teaching Council Act 2001 requires the Council to keep all proper and usual accounts and records of money received and expended and all property, assets and liabilities of the Council.

In preparing these financial statements the Council 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 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 comply with Section 18 of the Teaching Council Act 2001. The maintenance and integrity of the corporate and financial information on the Teaching Council's website is the responsibility of the Council.

The Council is responsible for approving the annual plan and budget.

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.

## **An Chomhairle Mhúinteoireachta**

### **The Teaching Council**

The Council considers that the financial statements of the Teaching Council give a true and fair view of the financial performance and the financial position of the Teaching Council at 31 December 2017.

#### **Council Structure**

The Teaching Council is made up of 37 voluntary members, as follow:

- Eleven primary teachers (nine elected and two teacher union nominees)
- Eleven post-primary teachers (seven elected and four teacher union nominees)
- Two nominated by college of education
- Two nominated by specified third-level bodies
- Four nominated by school management (two primary and two post-primary)
- Two nominated by parents' associations (one primary and one post-primary) and
- Five nominated by the Minister for Education and Skills (including one representing each of IBEC and ICTU)

Council members are appointed for a four-year term. See Council information at beginning of the financial statements for details on the current Council.

The Council has established the following Committees and Panels:

- Executive Committee - facilitates the efficient and effective functioning of the Council by conducting the business of the Council between Council meetings.
- Investigating Committee - Any person may apply to the Investigating Committee for an inquiry into the fitness to teach of a registered teacher.
- Disciplinary Committee - A panel of the Disciplinary Committee will conduct a hearing on a complaint referred to it by the Investigating Committee.
- Registration Committee - advises the Council and makes recommendations in all areas relating to the registration of teachers.
- Education Committee - is responsible for making recommendations to the Council on policy relating to the continuum of teacher education.
- Finance Committee – oversees the Council's financial affairs.
- Audit and Risk Committee – monitors the system of internal control within the organisation and manages risk.
- Registration Review Group - The Registration Committee sits as the Registration Review Group in instances where teachers are unhappy with the outcome of a panel's decision and request a review of the initial decision.
- Registration Panel - is responsible for the assessment of issues which relate to the registration of teachers, such as the granting of extensions to those holding conditional registration.
- Evidence of Character Panel - assesses the evidence of character of applicants seeking to register as teachers with the Council. The Panel is also responsible for the assessment of fit and proper persons as part of the registration renewal process.
- Qualifications Panel - assesses the professional qualifications of applicants seeking to register as teachers.

**An Chomhairle Mhúinteoireachta**  
**The Teaching Council**

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

The Council is responsible for ensuring compliance with the requirements of the Code of Practice for the Governance of State Bodies (“the Code”). The following disclosures are required by the Code:

Consultancy Costs

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

	<b>2017</b>	<b>2016</b>
	<b>€</b>	<b>€</b>
Legal advice	38,248	30,164
Pension administration	4,459	4,382
Strategic planning (including IT Strategy)	19,188	30,504
Procurement	5,151	3,659
Internal control & internal audit	4,513	9,128
Communications	76,440	80,919
ICT	22,413	17,871
	<u>170,412</u>	<u>176,627</u>

Other Legal Costs

	<b>2017</b>	<b>2016</b>
	<b>€</b>	<b>€</b>
Legal Costs – Registration	174,709	156,151
Legal Costs – Professional Standards	476,401	262,984
	<u>651,110</u>	<u>419,135</u>

**An Chomhairle Mhúinteoireachta**  
**The Teaching Council**

Travel & Subsistence Expenditure

	<b>2017</b>	<b>2016</b>
	<b>€</b>	<b>€</b>
<b><u>Domestic</u></b>		
- Council members	128,751	136,329
- Staff	44,211	43,737
<b><u>International</u></b>		
- Council members	2,639	1,580
- Staff	11,712	6,870
	<u>187,313</u>	<u>188,516</u>

Hospitality Expenditure

	<b>2017</b>	<b>2016</b>
	<b>€</b>	<b>€</b>
Staff welfare	<u>1,885</u>	<u>5,136</u>

In 2016 subsidised health screening was provided for Council staff.

**Statement of Compliance**

The Council has adopted the Code of Practice for the Governance of State Bodies (2016) and is putting procedures in place to ensure full compliance in 2018. During 2017 the Council undertook a gap analysis exercise to identify the areas to be addressed. Work is ongoing in 2018 to ensure full compliance. The main areas to be addressed include:

- Development of a Risk Management policy and risk appetite statement
- Completion of an effectiveness review by Council
- Strengthening of the Audit and Risk Committee's terms of reference and expertise

**Future Developments**

The Council plans to continue its present activities. The Council has commenced a development process for Cosán, the national framework for teachers' learning, due to conclude in 2020.

**Books of Account**

The Council is responsible under Section 18 of the Teaching Council Act, 2001, for keeping proper books of account which disclose with reasonable accuracy at any time the financial position of the organisation. The Council is also responsible for safeguarding the assets of the organisation and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The books of account of The Teaching Council are maintained at Maynooth Business Campus, Maynooth, Co. Kildare.



**An Chomhairle Mhúinteoireachta**  
**The Teaching Council**

**Auditors**

The auditors, Anne Brady McQuillans DFK, have indicated their willingness to continue in office.

**Events after the Balance Sheet Date**

There have been no circumstances or events subsequent to the year end, which require adjustment to, or disclosure in, the financial statements or in the notes thereto.

On behalf of the Council

**Noelle Moran**  
**Chairperson**

**Tomás Ó Ruairc**  
**Director**

**Date: 28<sup>th</sup> May 2018**

**An Chomhairle Mhúinteoireachta**  
**The Teaching Council**

**Statement on Internal Control**

**Scope of Responsibility**

On behalf of the Teaching Council I acknowledge our responsibility for ensuring that an effective system of internal control is in place and operating.

**Purpose of the System of Internal Control**

The system of internal control is designed to manage risk to an acceptable 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 Teaching Council for the year ended 31 December 2017 and up to the date of approval of the financial statements.

**Capacity to Handle Risk**

The Teaching Council has an Audit and Risk Committee comprising five Council members. The Committee met five times in 2017.

The Teaching Council outsources its internal audit function which is adequately resourced and conducts a programme of work agreed with the Audit and Risk Committee.

**Risk and Control Framework**

A risk register is in place which identifies the key risks facing the Teaching Council and these have been identified, evaluated and graded according to their significance. The register is reviewed and updated by the Audit and Risk Committee on a quarterly 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. 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
- A comprehensive planning and budgetary system is in operation and expenditure trends are reviewed on a monthly basis
- Procedures for addressing the financial implications of major business risks include financial instructions and notes of procedures, delegation practices such as authorisation limits approved by Council and segregation of duties between processing and approval of payments
- Systems are in place to safeguard both physical assets and the integrity of the information and communication technology systems

**An Chomhairle Mhúinteoireachta**  
**The Teaching Council**

**Statement on Internal Control**

**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 Council, where relevant, in a timely manner. 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 monthly and annual performance and financial reports which indicate performance against budget

**Procurement**

I confirm that The Teaching Council has procedures in place to ensure compliance with current procurement rules and guidelines and that during 2017 The Teaching Council complied with those procedures.

**Review of Effectiveness**

I confirm that the Teaching Council has procedures to monitor the effectiveness of its risk management and control procedures. The Teaching Council'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 Teaching Council responsible for the development and maintenance of the internal financial control framework.

I confirm that the Council conducted an annual review of the effectiveness of the internal controls for 2017.

**Internal Control Issues**

The follow issues have been identified:

- Risk Management Policy/Framework is not currently documented.
  - *Management has undertaken to document its risk management policy/framework by the end of Quarter 2, 2018*
- Risk management is not a standing item on the agenda at Council meetings
  - *From the first scheduled meeting of the Council in 2018, risk management is included as a standing item on the Council agenda*

**An Chomhairle Mhúinteoireachta**  
**The Teaching Council**

**Statement on Internal Control**

- There is no designated Risk Committee
  - *The Audit Committee has always reviewed risk. The Committee has now been renamed as the Audit and Risk Committee and its responsibility for risk is explicit*
- The Council has not undertaken a review of its own performance and its committees during the year
  - *An evaluation of Council performance is planned for Quarter 2 2018*

The Audit and Risk Committee will monitor the implementation of the above actions.

On behalf of Council

**Noelle Moran**  
**Chairperson**

**Date: 28<sup>th</sup> May 2018**

**An Chomhairle Mhúinteoireachta**  
**The Teaching Council**

**Independent Auditors' Report**  
**to the Council Members of The Teaching Council**

We have audited the financial statements of The Teaching Council for the year ended 31 December 2017 which comprise the Income and Expenditure Account, Balance Sheet, Cash Flow Statement and the related notes. The relevant financial reporting framework that has been applied in their preparation is Irish GAAP (including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in Ireland).

This report is made to the Council's members, as a body, in accordance with Section 18 of the Teaching Council Act, 2001. Our audit work has been undertaken so that we might state to the Council's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the organisation and the Council's members as a body, for our audit work, for this report, or for the opinion we have formed.

**Respective Responsibilities of the Council and Auditors**

The Council's responsibilities for preparing the Council's report and the financial statements in accordance with applicable Irish law including Section 18 of the Teaching Council Act, 2001, and the accounting standards issued by the Financial Reporting Council (Generally Accepted Accounting Practice in Ireland) are set out in the Governance Statement and Council Members' Report and the Statement of Internal Control.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practice Board's Ethical Standards for Auditors.

**Scope of the Audit of the financial statements**

An audit involves obtaining evidence about 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 by the Council members; and the overall presentation of the financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. In addition, we read all the financial and non – financial information in the Governance Statement and Council Members' Report and the Statement of Internal Control to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies, we consider the implications for our report.

**An Chomhairle Mhúinteoireachta  
The Teaching Council**

**Independent Auditors' Report  
to the Council Members of The Teaching Council**

**Opinion**

In our opinion the financial statements:

- give a true and fair view, in accordance with Generally Accepted Accounting Practice in Ireland, of the state of the Council's affairs as at 31 December 2017 and of its results for the year then ended; and
- have been properly prepared in accordance with the requirements of Irish Law including Section 18 of the Teaching Council Act, 2001.

We have obtained all the information and explanations we consider necessary for the purposes of our audit. In our opinion proper books of account have been kept by the organisation. The financial statements are in agreement with the books of account.

In our opinion the information given in the Governance Statement and Council Members' Report and the Statement of Internal Control is consistent with the financial statements.

**Natalie Kelly  
for and on behalf of  
Anne Brady McQuillans DFK  
Chartered Accountants and Registered Auditors  
Iveagh Court  
Harcourt Road  
Dublin 2**

**Date: 28<sup>th</sup> May 2018**

**An Chomhairle Mhúinteoireachta**  
**The Teaching Council**

**Income and Expenditure Account**  
**for the year ended 31 December 2017**

		<b>2017</b>	<b>2016</b>
		<b>€</b>	<b>€</b>
<b>Income</b>	<b>Notes</b>		
Registration and Assessment Fees		6,696,862	6,409,969
Other Income		-	461
		<hr/>	<hr/>
<b>Total Income</b>	<b>2</b>	6,696,862	6,410,430
<b>Expenditure</b>			
Accommodation Costs		(117,758)	(119,434)
Staffing Costs		(3,740,928)	(3,632,951)
Professional Standards Costs		(498,488)	(262,984)
Other Administration Costs		(881,026)	(990,353)
Courses, Conferences and Meeting Costs		(172,722)	(196,301)
Registration and Verification Costs		(96,641)	(79,013)
Information Technology Costs		(301,816)	(315,293)
Communications and Education Costs		(682,170)	(954,713)
Depreciation	<b>7</b>	(392,563)	(406,320)
		<hr/>	<hr/>
<b>Total Expenditure</b>		(6,884,112)	(6,957,362)
		<hr/>	<hr/>
<b>Deficit on Ordinary Activities</b>		(187,250)	(546,932)
Interest receivable and similar income		29,910	41,780
Property Rental Income		189,184	188,955
Property Management Costs		(44,900)	(79,240)
<b>Deficit before taxation</b>	<b>3</b>	<hr/> (13,056)	<hr/> (395,437)
Taxation	<b>6</b>	(13,037)	(17,130)
<b>Deficit after taxation</b>		<hr/> (26,093) <hr/>	<hr/> (412,567) <hr/>

**An Chomhairle Mhúinteoireachta**  
**The Teaching Council**

**Income and Expenditure Account**  
**for the year ended 31 December 2017**

There are no recognised surpluses or deficits other than the result for the above financial periods.  
The result of the year has been generated exclusively from continuing operations.

The notes on pages 15 to 23 form part of these financial statements.

The financial statements were approved by the Council on the 28<sup>th</sup> May 2018 and signed on its behalf by

**Noelle Moran**  
**Chairperson**

**Tomás Ó Ruairc**  
**Director**



**An Chomhairle Mhúinteoireachta**  
**The Teaching Council**

**Balance Sheet**  
**as at 31 December 2017**

		<b>2017</b>		<b>2016</b>	
	<b>Notes</b>	<b>€</b>	<b>€</b>	<b>€</b>	<b>€</b>
<b>Fixed Assets</b>					
Tangible assets	7		4,779,991		5,057,507
			<u>4,779,991</u>		<u>5,057,507</u>
<b>Current Assets</b>					
Debtors	8		10,457		10,797
Cash at bank and in hand			13,122,865		12,846,959
			<u>13,133,322</u>		<u>12,857,756</u>
<b>Creditors: Amounts falling due within one year</b>	9		(141,328)		(117,185)
<b>Net Current Assets</b>			<u>12,991,994</u>		<u>12,740,571</u>
<b>Total Assets Less Current Liabilities</b>			<u>17,771,985</u>		<u>17,798,078</u>
<b>Reserves</b>					
Designated Reserve	10		4,000,000		4,000,000
General Reserves	10		13,771,985		13,798,078
<b>Total Funds</b>			<u>17,771,985</u>		<u>17,798,078</u>

The notes on pages 15 to 23 form part of these financial statements.

The financial statements were approved by the Council on the 28<sup>th</sup> May 2018 and signed on its behalf by

**Noelle Moran**  
**Chairperson**

**Tomás Ó Ruairc**  
**Director**

**An Chomhairle Mhúinteoireachta**  
**The Teaching Council**

**Cash Flow Statement**  
**for the year ended 31 December 2017**

	Notes	2017 €	2016 €
<b>Reconciliation of operating deficit to net cash inflow from operating activities</b>			
Operating deficit (before interest received)		(42,966)	(437,217)
Depreciation	3	392,563	406,320
Decrease in debtors	8	340	48,855
Increase/(Decrease) in creditors	9	24,143	(23,055)
<b>Net cash flow from operating activities</b>		<u>374,080</u>	<u>(5,097)</u>

**Cash Flow Statement**

Net cash flow from operating activities		374,080	(5,097)
Returns on investments and servicing of finance	12	29,910	41,780
Taxation	12	(13,037)	(17,130)
Redemption of investment		-	10,014
Capital expenditure and financial investment	12	(115,047)	(121,972)
<b>Increase / (Decrease) in cash in the year</b>		<u>275,906</u>	<u>(92,405)</u>

**Reconciliation of net cash flow to movement in net funds (Note 13)**

Increase / (Decrease) in cash in the year		275,906	(92,405)
Net funds at 1 January 2017		12,846,959	12,939,364
<b>Net funds at 31 December 2017</b>	13	<u>13,122,865</u>	<u>12,846,959</u>

The financial statements were approved by the Council on the 28<sup>th</sup> May 2018 and signed on its behalf by

**Noelle Moran**  
**Chairperson**

**Tomás Ó Ruairc**  
**Director**

**An Chomhairle Mhúinteoireachta**  
**The Teaching Council**

**Notes to the Financial Statements**  
**for the year ended 31 December 2017**

**1. Accounting Policies**

**1.1. Accounting Convention**

The financial statements have been prepared in accordance with accounting standards generally accepted in Ireland and Irish statute (including FRS102). Accounting Standards generally accepted in Ireland in preparing financial statements giving a true and fair view are those published by the Financial Reporting Council.

**1.2. Income**

Income comprises registration and assessment fees received during the year. All fees receivable are accounted for on a receipts basis, except for income from the review and accreditation of programmes of initial teacher education which is on an invoice basis. Teachers register throughout the year and this registration lasts for 12 months. Income is not deferred to reflect this. In 2014 the Council purchased Block A, Maynooth Business Campus and is in receipt of rental income from tenants of the building. This is included under “Property Rental Income” in the Income and Expenditure Account.

**1.3. Tangible Fixed Assets and Depreciation**

Tangible fixed assets are stated at historic cost less accumulated depreciation.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset systematically over its expected useful life, as follows

Premises	- 2.5% straight line
Fixtures and Fittings	- 10% straight line
Computer Software	- 20% straight line
Computer Equipment	- 33.33% straight line

The carrying values of tangible fixed assets are reviewed annually for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable.

**An Chomhairle Mhúinteoireachta**  
**The Teaching Council**

**Notes to the Financial Statements**  
**for the year ended 31 December 2017**

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**1.4. Pensions**

The Council operates a defined benefit pension scheme for the majority of its employees. The scheme is based on the Public Service Model and is approved by the Minister for Education and Skills and the Minister for Finance. Pension benefits payable under the scheme are funded by the Exchequer.

In addition, the Council's arrangements have a number of specific characteristics:

- the Council makes an agreed contribution to the Department of Education and Skills
- the contribution comprises an employee element along with an employer element. In accordance with government policy on public sector pensions the employer's contribution amounts to 25% of gross pay for employees paying PRSI at the A rate and 30% of gross pay for employees paying PRSI at the D rate.
- there is an explicit commitment from the Department of Education and Skills with the agreement of the Department of Finance that the Exchequer will meet the cost of benefits as they fall due.

The Public Service Pensions (Single Scheme and Other Provisions) Act 2012 introduced the new Single Public Service Pension Scheme ("Single Scheme") which commenced with effect from 1 January 2013. All new employees of the Teaching Council, who are new entrants to the public sector on or after 1 January 2013 are members of the Single Scheme.

The Council considers that its pension arrangements as described above have the same financial effect from the Council's point of view as a defined contribution scheme. It is of the view that the provisions of FRS 17, Accounting for Retirement Benefits, which arise under defined benefit schemes are not appropriate to its circumstances. Accordingly, it accounts for its contribution as if the scheme was a defined contribution scheme.

**1.5. Taxation**

The yearly charge for taxation is based on deposit interest for the year and is calculated with reference to the tax rate applying on the date the interest is received.

**1.6. Designated Reserves**

The Council has determined that it may at its discretion set aside unrestricted funds for designated future purposes. Where such funds are no longer required for the intended purpose, they will be released to the General Reserve.

**An Chomhairle Mhúinteoireachta**  
**The Teaching Council**

**Notes to the Financial Statements**  
**for the year ended 31 December 2017**

..... continued

**2. Income**

The income of the organisation for the year has been derived from its principal activity wholly undertaken in Ireland.

<b>3. Operating Deficit</b>	<b>2017</b>	<b>2016</b>
	<b>€</b>	<b>€</b>
Operating deficit is stated after charging:		
Depreciation	392,563	406,320
Auditor Remuneration	6,968	7,664
	<u>          </u>	<u>          </u>

**4. Staffing and Remuneration**

<b>Staffing costs</b>	<b>2017</b>	<b>2016</b>
	<b>€</b>	<b>€</b>
Wages and salaries	1,895,507	1,963,533
Social welfare costs	166,230	162,016
Pension costs	427,955	437,508
Managed Services cost	1,150,105	980,938
Training & Welfare costs	95,944	80,620
Sundry staff costs	5,187	8,336
	<u>3,740,928</u>	<u>3,632,951</u>

<b>(a) Aggregate Employee Benefits</b>	<b>2017</b>	<b>2016</b>
	<b>€</b>	<b>€</b>
Staff short-term benefits	1,895,507	1,963,533
Retirement benefit costs	427,955	437,508
Employer's contribution to social welfare	166,230	162,016
	<u>2,489,692</u>	<u>2,563,057</u>

The total number of staff employed (WTE) at year end was 41.2 (2016: 40.7)

**An Chomhairle Mhúinteoireachta**  
**The Teaching Council**

**Notes to the Financial Statements**  
**for the year ended 31 December 2017**

..... continued

<b>(b) Staff Short-Term Benefits</b>	<b>2017</b>	<b>2016</b>
	<b>€</b>	<b>€</b>
Basic pay	1,876,745	1,944,550
Overtime	10,692	12,277
Allowances	8,070	6,706
	<u>1,895,507</u>	<u>1,963,533</u>

**(c) Key Management Personnel**

Key management personnel in the Teaching Council consists of the Director/CEO, Deputy Director Head of Teachers' Learning and Research, Head of Initial Teacher Education and Induction, Head of Registration, Head of Professional Standards and Head of Finance and Corporate Services. The total value of employee benefits for key management personnel is set out below:

	<b>2017</b>	<b>2016</b>
	<b>€</b>	<b>€</b>
Salary	522,694	550,151
Allowances	-	-
	<u>522,694</u>	<u>550,151</u>

This does not include the value of retirement benefits earned in the period. The key management personnel (with the exception of the Director/CEO) are members of the Teaching Council pension scheme and their entitlements in that regard do not extend beyond the terms of the model public service pension scheme.

Council members do not receive any remuneration for their work on behalf of the Council.

<b>(d) Director/CEO's Salary and Benefits</b>	<b>2017</b>	<b>2016</b>
	<b>€</b>	<b>€</b>
Basic pay	100,006	97,643
Other benefits	-	-
	<u>100,006</u>	<u>97,643</u>

The Director/CEO is seconded to the Teaching Council from the Department of Culture, Heritage and the Gaeltacht and is a member of that Department's pension scheme. His entitlements in that regard do not extend beyond the terms of the model public service pension scheme. The value of retirement benefits earned in the period is not included above.

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**(e) Employee Short-term Benefits Breakdown**

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

<b>Range</b>		<b>No. of Employees</b>	
<b>From</b>	<b>To</b>	<b>2017</b>	<b>2016</b>
€ 60,000	€ 69,999	3	3
€ 70,000	€ 79,999	1	2
€ 80,000	€ 89,999	2	1
€ 90,000	€ 99,999	1	2
€100,000	€109,999	1	0

**5. Pension Costs**

The pension cost represents contributions payable by the Council to the pension fund.

<b>6. Taxation</b>	<b>2017</b>	<b>2016</b>
	<b>€</b>	<b>€</b>
<b>Current year taxation</b>		
DIRT	13,037	17,130
	<u>          </u>	<u>          </u>

The Finance (No.2) Act 2013, Section 37, amends Schedule 4 to the Taxes Consolidation Act 1997 to include the Teaching Council in the list of specified non-commercial State-sponsored bodies that qualify for exemption from certain tax provisions under Section 227 of the Taxes Consolidation Act 1997. This section exempts from income tax and corporation tax certain income arising which would otherwise be chargeable to tax under Case III, IV and V of Schedule D. Deposit interest remains subject to DIRT.

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**7. Fixed Assets**

	<b>Premises</b>	<b>Fixtures &amp; Fittings</b>	<b>Computer Software</b>	<b>Computer Equipment</b>	<b>Total</b>
	€	€	€	€	€
<b>Cost</b>					
At 1 January 2017	3,691,937	1,594,109	784,663	629,772	6,700,481
Additions	-	16,560	8,907	89,580	115,047
Disposals	-	(12,348)	(178,786)	(118,788)	(309,922)
At 31 December 2017	<u>3,691,937</u>	<u>1,598,321</u>	<u>614,784</u>	<u>600,564</u>	<u>6,505,606</u>
<b>Depreciation</b>					
At 1 January 2017	184,596	328,506	576,244	553,628	1,642,974
On disposals	-	(12,348)	(178,786)	(118,788)	(309,922)
Charge for the year	92,298	157,279	86,674	56,312	392,563
At 31 December 2017	<u>276,894</u>	<u>473,437</u>	<u>484,132</u>	<u>491,152</u>	<u>1,725,615</u>
<b>Net book values</b>					
At 31 December 2017	<u>3,415,043</u>	<u>1,124,884</u>	<u>130,652</u>	<u>109,412</u>	<u>4,779,991</u>
At 31 December 2016	<u>3,507,341</u>	<u>1,265,603</u>	<u>208,419</u>	<u>76,144</u>	<u>5,057,507</u>



**An Chomhairle Mhúinteoireachta**  
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<b>8. Debtors</b>	<b>2017</b>	<b>2016</b>
	<b>€</b>	<b>€</b>
Prepayments	-	5,445
Other debtors	7,020	1,834
Accrued Income	3,437	3,518
	<u>10,457</u>	<u>10,797</u>
	<u><u>10,457</u></u>	<u><u>10,797</u></u>

The other debtors figure consists of Bike to Work Schemes and fees receivable in relation to the Wellbeing for Teachers and Learners Conference held on the 18<sup>th</sup> of November 2017.

<b>9. Creditors: Amounts falling due within one year</b>	<b>2017</b>	<b>2016</b>
	<b>€</b>	<b>€</b>
Other taxes and social security costs	-	16,421
Accruals	141,328	100,764
	<u>141,328</u>	<u>117,185</u>
	<u><u>141,328</u></u>	<u><u>117,185</u></u>
	<b>2017</b>	<b>2016</b>
Included in other taxes and social security costs:	<b>€</b>	<b>€</b>
PAYE / PRSI	-	-
VAT	-	562
PSWT	-	15,859
	<u>-</u>	<u>16,421</u>
	<u><u>-</u></u>	<u><u>16,421</u></u>

**An Chomhairle Mhúinteoireachta**  
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**Notes to the Financial Statements**  
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<b>10. Reserves</b>	<b>General Reserve</b>	<b>Designated Reserve</b>	<b>Total</b>
	<b>€</b>	<b>€</b>	<b>€</b>
<b>Opening Reserves</b>	13,798,078	4,000,000	17,798,078
Deficit for the year	(26,093)	-	(26,093)
<b>Closing Reserves</b>	<u>13,771,985</u>	<u>4,000,000</u>	<u>17,771,985</u>

In accordance with the Council's financial strategy the designated reserves have been established as a contingency reserve to cover any significant costs arriving from legal challenge to any part of the Teaching Council Acts, 2001 to 2015 and from any of the Council's rulings. In accordance with the Council's accounting policy where such funds are no longer required they will be released back to the General Reserve.

**11. Related Party Transactions**

In accordance with the Teaching Council Acts, 2001 to 2015 Council members are entitled to reimbursement of expenses necessarily incurred whilst engaging in the business of the Council and Committees of the Council. Council members who are teachers are also required to renew their registration annually. All transactions are conducted on an arms length basis and have been incorporated into these financial statements.

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**for the year ended 31 December 2017**

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**12. Gross Cash Flows**

	<b>2017</b>	<b>2016</b>
	<b>€</b>	<b>€</b>
<b>Returns on Investments and Servicing of Finance</b>		
Interest received	29,910	41,780
	<u>          </u>	<u>          </u>
<b>Taxation</b>		
DIRT	(13,037)	(17,130)
	<u>          </u>	<u>          </u>
<b>Capital Expenditure and financial investment</b>		
Payments to acquire tangible assets	(115,047)	(121,972)
	<u>          </u>	<u>          </u>

**13. Analysis of Changes in Net Funds**

	<b>Opening balance</b>	<b>Cash flows</b>	<b>Closing balance</b>
	<b>€</b>	<b>€</b>	<b>€</b>
Cash at bank and in hand	12,846,959	275,906	13,122,865
	<u>          </u>	<u>          </u>	<u>          </u>
Net funds	12,846,959	275,906	13,122,865
	<u>          </u>	<u>          </u>	<u>          </u>

**14. Approval of Financial Statements**

The financial statements were approved by the Council on the 28<sup>th</sup> May 2018 and signed on its behalf by

**Noelle Moran**  
**Chairperson**

**Tomás Ó Ruairc**  
**Director**



