

Financial Statements

for the year ended 31 December 2018

An Chomhairle Mhúinteoireachta
The Teaching Council

Council Information

Chairperson:

Noelle Moran

Deputy-Chairperson:

Sean McMahon

Council Members:

Asiya Al-Tawash (appointed 19 April 2018)
Geoffrey Browne (appointed 19 April 2018)
Rebecca Byrne (appointed 19 April 2018)
Elizabeth Cooney
Michael Delargey
Karen Devine
Brendan Doody (appointed 2 October 2018)
Catherine Doolan
Niall Duddy
Patricia Duffy
Peter Finnegan
Dr. Mary Fleming (term of office ended 3 April 2018)
Pat Gilmore
Mairéad Glynn
Colm Harte
John Holian
Declan Kelleher (term of office ended 3 April 2018)
Ferdia Kelly
Mary Kelly (appointed 19 April 2018)
Gregor Kerr
Martin Lally (resigned 1 October 2018)
Gerry Leydon
Máire Lineen
Áine Lynch (term of office ended 3 April 2018)
Denis Magner
Dr. Anthony Malone (appointed 19 April 2018)
Claire Markey
Prof. Marie McLoughlin (appointed 19 April 2018)
Paul Mooney (term of office ended 3 April 2018)
Seamus Mulconry
Dr. Melanie Ní Dhuinn (appointed 19 April 2018)
Deirdre O'Connor
Séamus O'Connor
Prof. Pádraig Ó'Duibhir (term of office ended 3 April 2018)
Seamus Ó Fearraigh
Prof. Anne O'Gara (term of office ended 3 April 2018)
Cathnia Ó Muirheartaigh (term of office ended 3 April 2018)

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Council Information

Seán O'Neill
Prof. Mary O'Sullivan (term of office ended 3 April 2018)
Gerry Quinn
Eamonn Shaughnessy
Tracie Tobin
Frank Turpin

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
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Governance Statement and Council Members' Report

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.

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The Teaching Council

Governance Statement and Council Members' Report

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 2018.

Council Structure

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

- 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)

Currently there are only 36 members of Council as one vacancy has not been filled yet.

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.

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Governance Statement and Council Members' Report

- 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.

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.

	2018	2017
	€	€
Legal advice	82,876	38,248
Pension administration	15,690	4,459
Strategic planning (including IT Strategy)	8,312	19,188
Procurement	3,659	5,151
Internal control & internal audit	9,504	4,513
Communications	79,229	76,440
ICT	37,714	22,413
Human Resources	22,464	-
Project Management (Registration Database replacement project)	52,250	-
	<u>311,698</u>	<u>170,412</u>

Other Legal Costs

	2018	2017
	€	€
Legal Costs – Registration	231,347	174,709
Legal Costs – Professional Standards	381,122	476,401
	<u>612,469</u>	<u>651,110</u>

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The Teaching Council

Governance Statement and Council Members' Report

Travel & Subsistence Expenditure

	2018	2017
	€	€
<u>Domestic</u>		
- Council members	137,381	128,751
- Staff	58,992	44,211
<u>International</u>		
- Council members	988	2,639
- Staff	13,027	11,712
	<u>210,388</u>	<u>187,313</u>

Hospitality Expenditure

	2018	2017
	€	€
Staff welfare	<u>6,583</u>	<u>1,885</u>

In 2018 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 2019. During 2017 the Council undertook a gap analysis exercise to identify the areas to be addressed. Most of these were addressed in 2018. The main areas still to be addressed include:

- Completion of an effectiveness review by Council
- Customer Service requirements

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 adequate 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

Governance Statement and Council Members' Report

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: 20 May 2019

An Chomhairle Mhúinteoireachta
The Teaching Council

Statement on Internal Control

Scope of Responsibility

On behalf of the members 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 2018 and up to the date of approval of the financial statements.

Capacity to Handle Risk

During 2018, The Teaching Council had an Audit and Risk Committee comprising five Council members. The Council has now appointed two external members to its Audit and Risk Committee to add additional relevant skills and experience to the Committee. The Committee met four times in 2018.

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.

The Audit and Risk Committee has developed a Risk Management Policy which sets out its risk appetite, the risk management processes in place and details the roles and responsibilities of staff in relation to risk.

Risk and Control Framework

The Teaching Council 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 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

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Statement on Internal Control

- 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

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 2018 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 2018.

Internal Control Issues

No weaknesses in internal control were identified in relation to 2018 that require disclosure in the financial statements

On behalf of Council

Noelle Moran

Chairperson

Date: 20 May 2019

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The Teaching Council

Independent Auditors' Report

to the Council Members of The Teaching Council

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Teaching Council for the year ended 31 December 2018 which comprise the Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement and the related notes to the financial statements, including a summary of significant accounting policies set out in note 1. The financial reporting framework that has been applied in their preparation is Irish Law and FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

In our opinion the financial statements:

- give a true and fair view of the assets, liabilities and financial position of the association as at 31 December 2018 and of its surplus for the year then ended;
- have been properly prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been properly prepared in accordance with the requirements of Section 18 of the Teaching Council Act 2001.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the council in accordance with ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (Ireland) require us to report to you where:

- the council members' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the council members have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the council's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other Information

The council members are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our Auditor's Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be

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Independent Auditors' Report

to the Council Members of The Teaching Council

materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Matters on which we are required to report by exception

Based on the knowledge and understanding of the council and its environment obtained in the course of the audit, we have not identified any material misstatements in the Governance Statement and Council Members' Report.

Respective responsibilities

Responsibilities of council members for the financial statements

As explained more fully in Governance Statement and Council Members' Report, the council members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for 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.

In preparing the financial statements, the council members are responsible for assessing the council's ability to continue as a going concern, disclosing, as applicable, matters related to the going concern and using the going concern basis of accounting unless management either intends to liquidate the council or to cease operation, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the IAASA's website at: <[www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description of auditors responsibilities for audit.pdf](http://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsibilities_for_audit.pdf)> The description forms part of our Auditor's Report.

**An Chomhairle Mhúinteoireachta
The Teaching Council**

Independent Auditors' Report

to the Council Members of The Teaching Council

The purpose of our audit work and to whom we owe our responsibilities

Our report is made solely 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 any responsibility to anyone other than the council and the council's members, as a body, for our audit work, for this report, or for the opinions we have formed.

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

Date: 20 May 2019

An Chomhairle Mhúinteoireachta
The Teaching Council

Income and Expenditure Account
for the year ended 31 December 2018

		2018	2017
		€	€
Income	Notes		
Registration and Assessment Fees		6,927,015	6,696,862
		<hr/>	<hr/>
Total Income	2	6,927,015	6,696,862
Expenditure			
Accommodation Costs		(114,114)	(117,758)
Staffing Costs		(3,909,111)	(3,740,928)
Professional Standards Costs		(409,705)	(498,488)
Other Administration Costs		(1,083,689)	(881,026)
Courses, Conferences and Meeting Costs		(181,699)	(172,722)
Registration and Verification Costs		(168,646)	(96,641)
Information Technology Costs		(293,912)	(301,816)
Communications and Education Costs		(955,949)	(682,170)
Depreciation	7	(365,527)	(392,563)
		<hr/>	<hr/>
Total Expenditure		(7,482,352)	(6,884,112)
		<hr/>	<hr/>
Deficit on Ordinary Activities		(555,337)	(187,250)
Interest receivable and similar income		21,775	29,910
Property Rental Income		189,184	189,184
Property Management Costs		(44,033)	(44,900)
Deficit before taxation	3	(388,411)	(13,056)
Taxation	6	(9,329)	(13,037)
Deficit after taxation		<hr/> <hr/>	<hr/> <hr/>

**Income and Expenditure Account
for the year ended 31 December 2018**

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 20 May 2019 and signed on its behalf
by

Noelle Moran
Chairperson

Tomás Ó Ruairc
Director

Balance Sheet
as at 31 December 2018

		2018		2017	
	Notes	€	€	€	€
Fixed Assets					
Tangible assets	7		4,434,150		4,779,991
			<u>4,434,150</u>		<u>4,779,991</u>
Current Assets					
Receivables and Prepayments	8		30,982		10,457
Cash and Cash Equivalents			13,097,480		13,122,865
			<u>13,128,462</u>		<u>13,133,322</u>
Current Liabilities: Amounts falling due within one year	9		(188,367)		(141,328)
Net Current Assets			<u>12,940,095</u>		<u>12,991,994</u>
Total Assets Less Current Liabilities			<u>17,374,245</u>		<u>17,771,985</u>
Reserves					
Designated Reserve	10		4,000,000		4,000,000
General Reserves	10		13,374,245		13,771,985
Total Funds			<u>17,374,245</u>		<u>17,771,985</u>

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

The financial statements were approved by the Council on 20 May 2019 and signed on its behalf by

Noelle Moran
Chairperson

Tomás Ó Ruairc
Director

**Cash Flow Statement
for the year ended 31 December 2018**

	Notes	2018 €	2017 €
Reconciliation of operating deficit to net cash inflow from operating activities			
Operating deficit (before interest received)		(410,186)	(42,966)
Depreciation	3	365,527	392,563
(Increase)/Decrease in debtors	8	(20,525)	340
Increase in creditors	9	47,039	24,143
Net cash flow from operating activities		<u>(18,145)</u>	<u>374,080</u>

Cash Flow Statement

Net cash flow from operating activities		(18,145)	374,080
Returns on investments and servicing of finance	12	21,775	29,910
Taxation	12	(9,329)	(13,037)
Capital expenditure	12	(19,686)	(115,047)
(Decrease)/Increase in cash in the year		<u>(25,385)</u>	<u>275,906</u>

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

(Decrease)/Increase in cash in the year		(25,385)	275,906
Net funds at 1 January 2018		13,122,865	12,846,959
Net funds at 31 December 2018	13	<u>13,097,480</u>	<u>13,122,865</u>

The financial statements were approved by the Council on 20 May 2019 and signed on its behalf by

Noelle Moran
Chairperson

Tomás Ó Ruairc
Director

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The Teaching Council

Notes to the Financial Statements
for the year ended 31 December 2018

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.

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Notes to the Financial Statements
for the year ended 31 December 2018

..... continued

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.

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The Teaching Council

Notes to the Financial Statements
for the year ended 31 December 2018

..... continued

2. Income

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

3. Operating Deficit	2018	2017
	€	€
Operating deficit is stated after charging:		
Depreciation	365,527	392,563
	<u> </u>	<u> </u>

4. Staffing and Remuneration

Staffing costs	2018	2017
	€	€
Wages and salaries	2,065,534	1,895,507
Social welfare costs	175,960	166,230
Pension costs	445,106	427,955
Managed Services & Agency staff cost	1,113,544	1,150,105
Training & Welfare costs	98,532	95,944
Sundry staff costs	10,435	5,187
	<u>3,909,111</u>	<u>3,740,928</u>

(a) Aggregate Employee Benefits	2018	2017
	€	€
Staff short-term benefits	2,065,534	1,895,507
Retirement benefit costs	445,106	427,955
Employer's contribution to social welfare	175,960	166,230
	<u>2,686,600</u>	<u>2,489,692</u>

The total number of staff employed (WTE) at year end was 43.6 (2017: 41.2)

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Notes to the Financial Statements
for the year ended 31 December 2018

..... continued

(b) Staff Short-Term Benefits	2018	2017
	€	€
Basic pay	2,050,426	1,876,745
Overtime	4,739	10,692
Allowances	10,369	8,070
	<u>2,065,534</u>	<u>1,895,507</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:

	2018	2017
	€	€
Salary	598,979	522,694
Allowances	-	-
	<u>598,979</u>	<u>522,694</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.

(d) Director/CEO's Salary and Benefits	2018	2017
	€	€
Basic pay	105,226	100,006
Other benefits	-	-
	<u>105,226</u>	<u>100,006</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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Notes to the Financial Statements
for the year ended 31 December 2018

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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:

Range		No. of Employees	
From	To	2018	2017
€ 60,000	€ 69,999	2	3
€ 70,000	€ 79,999	3	1
€ 80,000	€ 89,999	2	2
€ 90,000	€ 99,999	0	1
€100,000	€109,999	2	1

5. Pension Costs

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

6. Taxation	2018	2017
	€	€
Current year taxation		
DIRT	9,329	13,037
	<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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Notes to the Financial Statements
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7. Tangible Assets

	Premises	Fixtures & Fittings	Computer Software	Computer Equipment	Total
	€	€	€	€	€
Cost					
At 1 January 2018	3,691,937	1,598,321	614,784	600,564	6,505,606
Additions	-	6,598	-	13,088	19,686
Disposals	-	(57,493)	-	(25,858)	(83,351)
At 31 December 2018	<u>3,691,937</u>	<u>1,547,426</u>	<u>614,784</u>	<u>587,794</u>	<u>6,441,941</u>
Depreciation					
At 1 January 2018	276,894	473,437	484,132	491,152	1,725,615
On disposals	-	(57,493)	-	(25,858)	(83,351)
Charge for the year	92,298	154,715	63,243	55,271	365,527
At 31 December 2018	<u>369,192</u>	<u>570,659</u>	<u>547,375</u>	<u>520,565</u>	<u>2,007,791</u>
Net book values					
At 31 December 2018	<u>3,322,745</u>	<u>976,767</u>	<u>67,409</u>	<u>67,229</u>	<u>4,434,150</u>
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>

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8. Receivables and Prepayments	2018	2017
	€	€
Other receivables	30,982	7,020
Accrued Income	-	3,437
	<u>30,982</u>	<u>10,457</u>
	<u><u>30,982</u></u>	<u><u>10,457</u></u>

The other receivables figure consists of a contribution due from an external party towards research costs, deductions due in relation to Bike to Work Scheme, and fees receivable in relation to the Wellbeing for Teachers and Learners Conference.

9. Payables: Amounts falling due within one year	2018	2017
	€	€
Other taxes and social security costs	448	-
Accruals	187,919	141,328
	<u>188,367</u>	<u>141,328</u>
	<u><u>188,367</u></u>	<u><u>141,328</u></u>

	2018	2017
	€	€
Included in other taxes and social security costs:		
RCT	448	-
	<u>448</u>	<u>-</u>
	<u><u>448</u></u>	<u><u>-</u></u>

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10. Reserves	General Reserve	Designated Reserve	Total
	€	€	€
Opening Reserves	13,771,985	4,000,000	17,771,985
Deficit for the year	(397,740)	-	(397,740)
Closing Reserves	<u>13,374,245</u>	<u>4,000,000</u>	<u>17,374,245</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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12. Gross Cash Flows

	2018	2017
	€	€
Returns on Investments and Servicing of Finance		
Interest received	21,775	29,910
	<u> </u>	<u> </u>
Taxation		
DIRT	(9,329)	(13,037)
	<u> </u>	<u> </u>
Capital Expenditure and financial investment		
Payments to acquire tangible assets	(19,686)	(115,047)
	<u> </u>	<u> </u>

13. Analysis of Changes in Net Funds

	Opening balance	Cash flows	Closing balance
	€	€	€
Cash at bank and in hand	13,122,865	(25,385)	13,097,480
	<u> </u>	<u> </u>	<u> </u>
Net funds	13,122,865	(25,385)	13,097,480
	<u> </u>	<u> </u>	<u> </u>

14. Approval of Financial Statements

The financial statements were approved by the Council on 20 May 2019 and signed on its behalf by

Noelle Moran
Chairperson

Tomás Ó Ruairc
Director

