

Financial Statements

for the year ended 31 December 2020

An Chomhairle Mhúinteoireachta
The Teaching Council

Council Information

Chairperson:

Seán McMahon

Deputy-Chairperson:

Noelle Moran

Council Members:

Asiya Al-Tawash

Sinead Brett

Geoffrey Browne

Kathleen Burke

Noel Cronin

Catherine Cross

Mary Curley

Michael Delargey

Charles Dolan

Brendan Doody

Catherine Doolan

Niall Duddy

Pat Gilmore (resigned 12 October 2020)

John Holian

Anne Howard

Rosena Jordan

Michelle Keane

Mary Kelly

Seamus Lahart (resigned 12 October 2020)

David Leahy (appointed 4 November 2020)

Gerry Leydon (appointed 27 November 2020)

Dr. Anthony Malone

Claire Markey

Peter McCabe

Prof. Marie McLoughlin

Paul Moroney

Catherine Moynihan

Anne Mulcahy

Dr. Melanie Ní Dhuinn

Seán Ó Dubhlaing

Deirdre O'Connor

Ciaran James O'Donnell

Séamus Ó Fearraigh (appointed 4 November 2020)

Seán O'Neill

Eamonn Shaughnessy

Tracie Tobin

An Chomhairle Mhúinteoireachta
The Teaching Council

Council Information

Auditors

Crowleys DFK Unlimited Company
Chartered Accountants and
Statutory Audit Firm
16/17 College Green
Dublin 2

Business Address

Block A
Maynooth Business Campus
Maynooth
Co. Kildare

Bankers

Bank of Ireland
Main Street
Maynooth
Co. Kildare

Solicitors

Fieldfisher (formerly 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 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 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 and the senior management team. The Director 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 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

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 2020.

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)

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

Governance Statement and Council Members' Report

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.

	2020	2019
	€	€
Legal advice	180,223	79,278
Pension administration	9,102	16,429
Data Protection	17,538	-
Health & Safety	484	-
Internal control & internal audit	7,865	14,391
Communications	35,233	78,756
ICT	13,767	7,503
Human Resources	-	5,535
Project Management (Registration Database replacement project)	-	53,201
Investment management	-	17,938
	<u>264,212</u>	<u>273,031</u>

Other Legal Costs

	2020	2019
	€	€
Legal Costs – Registration	144,381	293,474
Legal Costs – Professional Standards	439,765	362,143
	<u>584,146</u>	<u>655,617</u>

An Chomhairle Mhúinteoireachta
The Teaching Council

Governance Statement and Council Members' Report

Travel & Subsistence Expenditure

	2020	2019
	€	€
<u>Domestic</u>		
- Council members	41,450	146,244
- Staff	15,476	62,109
<u>International</u>		
- Council members	-	1,273
- Staff	194	10,383
	<u>57,120</u>	<u>220,009</u>

Hospitality Expenditure

	2020	2019
	€	€
Staff welfare	5,092	1,239
	<u> </u>	<u> </u>

Statement of Compliance

The Council has adopted the Code of Practice for the Governance of State Bodies (2016). During 2017 the Council undertook a gap analysis exercise to identify the areas to be addressed. Most of these were addressed by 2020. The outstanding work centres on Customer Service requirements.

Future Developments

The Council plans to continue its present activities.

Accounting Records

The Council is responsible under Section 18 of the Teaching Council Act, 2001, for keeping adequate accounting records 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 accounting records of The Teaching Council are maintained at Maynooth Business Campus, Maynooth, Co. Kildare.

Auditors

The auditors, Crowleys DFK Unlimited Company (Chartered Accountants and Statutory Audit Firm) have indicated their willingness to continue in office.

An Chomhairle Mhúinteoireachta
The Teaching Council

Governance Statement and Council Members' Report

Going Concern

The council members have prepared budgets and cash flows for a period of at least twelve months from the date of the approval of the financial statements which demonstrate that there is no material uncertainty regarding the organisation's ability to meet its liabilities as they fall due, and to continue as a going concern. On this basis the council members consider it appropriate to prepare the financial statements on a going concern basis. Accordingly, these financial statements do not include any adjustments to the carrying amounts and the classification of the assets and liabilities that may arise if the organisation was unable to continue as a going concern.

Post Balance Sheet Events

There were no events subsequent to the year end that would impact on or require disclosure in the financial statements or in the notes thereto.

Statement on Relevant Audit Information

There is no relevant audit information of which the statutory auditors are unaware. The council members have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and they have established that the statutory auditors are aware of that information.

On behalf of the Council

Seán McMahon
Chairperson

Tomás Ó Ruairc
Director

Date: 5th July 2021

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 2020 and up to the date of approval of the financial statements.

Capacity to Handle Risk

During 2020, The Teaching Council had an Audit and Risk Committee comprising five Council members and two independent external members. The Committee met three times in 2020.

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 regular 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 2020 The Teaching Council complied with those procedures with the exception of the items noted below.

- The Council used agency staff, recruited from a panel of three agencies, to fill short-term resourcing gaps. No procurement process was undertaken to establish the panel of three agencies. The value of payments made to the agencies during 2020 was €137k. It is the Council's intention to tender for a panel of agencies in Quarter 2, 2021.
- The company engaged to circulate email reminders to registrants has been in place for a number of years. The service was expanded to include distribution of eZines without tendering, as the plan was to go to the market when the new Registration Database was being developed. Tendering took place in early 2021 and the new contract will be activated in line with the launch of the new database in May 2021. The value of this expenditure in 2020 was €76k.
- The Council used an organisation for Executive Coaching without tendering for same as it was felt that the organisation provided a unique offering. The expenditure involved was €26k in 2020.

An Chomhairle Mhúinteoireachta
The Teaching Council

Statement on Internal Control

Covid-19 Risk/Remote Working

In March 2020, the senior management team established a Covid-19 steering group to review and manage the impact of Covid-19 on the organisation.

Plans were developed to facilitate all employees to work remotely while ensuring that ICT and financial controls continued to operate effectively and to mitigate the risk of fraud or error. To mitigate ICT risks posed by remote working the ICT section provided ongoing training and guidance to staff on cyber security threats and strengthened the security of the IT infrastructure.

Throughout the financial year the Finance Department successfully recorded and processed financial transactions without interruption. All financial transactions continued to require mandated signatories to authorise transactions and only authorised personnel had access to the company's financial and banking systems. The management are satisfied that, notwithstanding the difficulties posed by the pandemic, routine financial controls and procedures continued to operate effectively throughout the financial year.

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 2020. **Internal Control Issues**

No significant weaknesses in internal control were identified in relation to 2020 that require disclosure in the financial statements.

On behalf of Council

Seán McMahon
Chairperson

Date: 5th July 2021

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 2020 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 2020 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

In auditing the financial statements, we have concluded that the council members' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the council's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the council members' with respect to going concern are described in the relevant sections of this report.

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.

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

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 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.

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
Crowleys DFK Unlimited Company
Chartered Accountants and Statutory Audit
Firm 16/17 College Green
Dublin 2**

Date: 5th July 2021

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

Further information regarding the scope of our responsibilities as auditor

As part of an audit in accordance with ISAs (Ireland), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- 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 our 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.
- 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 organisation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Council members.
- Conclude on the appropriateness of the Council members' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the organisation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's Report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditor's Report. However, future events or conditions may cause the organisation to cease to continue as a going concern.
- 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.

We 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 we identify during our audit.

An Chomhairle Mhúinteoireachta
The Teaching Council
Income and Expenditure Account
for the year ended 31 December 2020

		2020	2019
		€	€
Income	Notes		
Registration and Assessment Fees		7,475,337	7,152,917
		<u>7,475,337</u>	<u>7,152,917</u>
Total Income	2	7,475,337	7,152,917
Expenditure			
Accommodation Costs		(106,465)	(153,436)
Staffing Costs		(4,340,529)	(4,175,344)
Professional Standards Costs		(473,578)	(384,920)
Other Administration Costs		(810,039)	(1,106,273)
Meeting Costs		(59,801)	(184,436)
Registration Costs		(131,430)	(190,462)
Information Technology Costs		(279,463)	(287,130)
Communications, Education and Research Costs		(711,313)	(776,072)
Depreciation	7	(309,933)	(334,213)
		<u>(7,222,551)</u>	<u>(7,592,286)</u>
Total Expenditure		(7,222,551)	(7,592,286)
		<u>252,786</u>	<u>(439,369)</u>
Surplus/(Deficit) on Ordinary Activities		252,786	(439,369)
Interest receivable and similar income		-	296
Proceeds from Insurance Claim		47,450	-
Investment income		103,419	57,626
Fair value movement in Financial Assets		170,208	294,278
Property Rental Income		211,306	192,360
Property Management Costs		(26,967)	(73,021)
		<u>758,202</u>	<u>32,170</u>
Surplus before taxation	3	758,202	32,170
Taxation	6	-	(104)
		<u>758,202</u>	<u>32,066</u>
Surplus after taxation		758,202	32,066

An Chomhairle Mhúinteoireachta
The Teaching Council

Income and Expenditure Account
for the year ended 31 December 2020

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 17 to 28 form part of these financial statements.

The financial statements were approved by the Council on 5th July 2021 and signed on its behalf by

Seán McMahon
Chairperson

Tomás Ó Ruairc
Director

An Chomhairle Mhúinteoireachta
The Teaching Council

Balance Sheet
as at 31 December 2020

		2020		2019	
	Notes	€	€	€	€
Non-Current Assets					
Tangible assets	7		4,499,386		4,163,323
Financial Assets	8		12,625,531		12,351,904
			<u>17,124,917</u>		<u>16,515,227</u>
Current Assets					
Receivables and Prepayments	9		61,582		52,802
Cash and Cash Equivalents			1,383,091		1,086,461
			<u>1,444,673</u>		<u>1,139,263</u>
Current Liabilities: Amounts falling due within one year	10		(405,077)		(248,179)
Net Current Assets			<u>1,039,596</u>		<u>891,084</u>
Total Assets Less Current Liabilities			<u>18,164,513</u>		<u>17,406,311</u>
Reserves					
Designated Reserve	11		4,000,000		4,000,000
General Reserves	11		14,164,513		13,406,311
Total Funds			<u>18,164,513</u>		<u>17,406,311</u>

The notes on pages 17 to 28 form part of these financial statements.

The financial statements were approved by the Council on 5th July 2021 and signed on its behalf by

Seán McMahon
Chairperson

Tomás Ó Ruairc
Director

An Chomhairle Mhúinteoireachta
The Teaching Council
Cash Flow Statement
for the year ended 31 December 2020

	Notes	2020 €	2019 €
Reconciliation of operating deficit to net			
Cash flow from operating activities			
Operating surplus (before interest received and tax)		758,202	31,874
Depreciation	3	309,933	334,213
(Increase) in debtors	9	(8,780)	(21,820)
Increase in creditors	10	156,898	59,812
Net cash flow from operating activities		<u>1,216,253</u>	<u>404,079</u>
Cash Flow from Investing Activities			
Interest received		-	296
Income from investment portfolio	13	(103,419)	(57,626)
Fair Value movement in investment portfolio	13	(170,208)	(294,278)
Funds transferred to investment portfolio	13	-	(12,000,000)
Taxation	13	-	(104)
Capital expenditure	13	(645,996)	(63,386)
Net cash flow from investing activities		<u>(919,623)</u>	<u>(12,415,098)</u>
Reconciliation of net cash flow to movement in cash and cash equivalents (Note 14)			
Net Increase/(Decrease) in cash and cash equivalents in the year		296,630	(12,011,019)
Net cash and cash equivalents at 1 January 2020		1,086,461	13,097,480
Net cash and cash equivalents at 31 December 2020 14		<u>1,383,091</u>	<u>1,086,461</u>

The financial statements were approved by the Council on 5th July 2021 and signed on its behalf by

Seán McMahon
Chairperson

Tomás Ó Ruairc
Director

An Chomhairle Mhúinteoireachta
The Teaching Council

Notes to the Financial Statements
for the year ended 31 December 2020

1. Accounting Policies

1.1. Basis of preparation

The financial statements are prepared on the going concern basis in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" issued by the Financial Reporting Council (FRC). The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the organisations' financial statements.

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.

At the end of each reporting period, the organisation assesses whether there is objective evidence of impairment of any financial assets that are measured at cost or amortised cost included unlisted investments, investments, loans, trade debtors and cash. If there is objective evidence of impairment, impairment losses are recognised in the Income and Expenditure in that financial year.

An Chomhairle Mhúinteoireachta
The Teaching Council

Notes to the Financial Statements
for the year ended 31 December 2020

..... 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 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. 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.

An Chomhairle Mhúinteoireachta
The Teaching Council

Notes to the Financial Statements
for the year ended 31 December 2020

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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.

1.7. Financial Assets

Financial assets held as non-current assets are stated at their market value. Any surplus or deficit is accounted for through the Income and Expenditure Account. Income from Financial Assets is recognised in the Income and Expenditure account in the year in which it is received.

1.8. Receivables

Receivables are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

1.9. Payables

Payables are initially recognised at fair value and thereafter stated at amortised cost using the effective interest rate method, unless the effect of discounting would be immaterial, in which case they are stated at cost.

1.10. Cash at bank and in hand

Cash at bank and in hand comprises cash on deposit at banks requiring less than three months' notice of withdrawal

An Chomhairle Mhúinteoireachta
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Notes to the Financial Statements
for the year ended 31 December 2020

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2. Income

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

3. Operating Surplus/(Deficit)	2020	2019
	€	€
Operating surplus/(deficit) is stated after charging:		
Depreciation	309,933	334,213
	<u><u>309,933</u></u>	<u><u>334,213</u></u>

4. Staffing and Remuneration

Staffing costs	2020	2019
	€	€
Wages and salaries	2,367,158	2,119,223
Social welfare costs	212,708	185,169
Pension costs	468,308	450,380
Managed Services & Agency staff cost	1,166,128	1,342,900
Recruitment, Training & Staff Welfare costs	116,866	72,224
Sundry staff costs	9,361	5,448
	<u><u>4,340,529</u></u>	<u><u>4,175,344</u></u>

(A) Aggregate Employee Benefits	2020	2019
	€	€
Staff short-term benefits	2,367,158	2,119,223
Retirement benefit costs	468,308	450,380
Employer's contribution to social welfare	212,708	185,169
	<u><u>3,048,174</u></u>	<u><u>2,754,772</u></u>

The total number of staff employed (WTE) at year end was 51.4 (2019: 48.6).

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(B) Staff Short-Term Benefits

	2020	2019
	€	€
Basic pay	2,352,672	2,105,252
Overtime	5,159	3,464
Allowances	9,327	10,507
	<u>2,367,158</u>	<u>2,119,223</u>

(C) Key Management Personnel

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

	2020	2019
	€	€
Salary	638,576	618,996
	<u>638,576</u>	<u>618,996</u>

This does not include the value of retirement benefits earned in the period. The key management personnel (with the exception of the Director and the Head of Corporate Affairs and HR) 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.

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(D) Director's Salary and Benefits

	2020	2019
	€	€
Basic pay	114,199	115,503
	<u>114,119</u>	<u>115,503</u>

The Director is seconded to the Teaching Council from the Department of Tourism, Culture, Arts, Gaeltacht, Sport and Media 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.

(E) Employee Short-term Benefits Breakdown

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

RangeNo. of Employees

From	To	2020	2019
€ 60,000	€ 69,999	6	3
€ 70,000	€ 79,999	0	4
€ 80,000	€ 89,999	3	1
€ 90,000	€ 99,999	1	1
€100,000	€109,999	0	0
€110,000	€119,999	1	1

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Notes to the Financial Statements
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5. Pension Costs

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

6. Taxation

	2020	2019
	€	€
Current Year Taxation		
DIRT	-	104
	<u><u> </u></u>	<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 2020	3,691,937	1,540,042	619,321	597,765	6,449,065
Additions	-	1,432	526,372	118,192	645,996
Disposals	-	-	-	-	-
	<u>3,691,937</u>	<u>1,541,474</u>	<u>1,145,693</u>	<u>715,957</u>	<u>7,095,061</u>
Depreciation					
At 1 January 2020	461,490	698,467	596,170	529,615	2,285,742
On disposals	-	-	-	-	-
Charge for the year	92,298	140,388	16,714	60,533	309,933
At 31 December 2020	<u>553,788</u>	<u>838,855</u>	<u>612,884</u>	<u>590,148</u>	<u>2,595,675</u>
Net book values					
At 31 December 2020	<u>3,138,149</u>	<u>702,619</u>	<u>532,809</u>	<u>125,809</u>	<u>4,499,386</u>
At 31 December 2019	<u>3,230,447</u>	<u>841,575</u>	<u>23,151</u>	<u>68,150</u>	<u>4,163,323</u>

8. Financial Assets

	2020	2019
	€	€
Fair value		
At 1 January	12,351,904	-
Funds to portfolio	-	12,000,000
Fair value movement in financial assets	170,208	294,278
Investment income	103,419	57,626
At 31 December 2020	<u>12,625,531</u>	<u>12,351,904</u>

An Chomhairle Mhúinteoireachta
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Notes to the Financial Statements
for the year ended 31 December 2020

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9. Receivables and Prepayments	2020	2019
	€	€
Other receivables	61,582	52,802
	<u>61,582</u>	<u>52,802</u>
	<u><u>61,582</u></u>	<u><u>52,802</u></u>

The other receivables figure consists of proceeds receivable from an insurance claim and refund of salary costs due in relation to the redeployment of a staff member.

10. Payables: Amounts falling due within one year	2020	2019
	€	€
Other taxes and social security costs	157,905	90,459
Accruals	247,172	157,720
	<u>405,077</u>	<u>248,179</u>
	<u><u>405,077</u></u>	<u><u>248,179</u></u>

Tax and social insurance are subject to the terms of the relevant legislation. Interest accrues on late payment. No interest was due at the financial year end date.

The terms of accruals are based on the underlying contracts. The repayment terms of trade creditors vary.

	2020	2019
	€	€
Included in other taxes and social security costs:		
PAYE/PRSI	79,454	62,357
PSWT	25,315	21,731
RCT	1,409	6,371
VAT	51,727	-
	<u>157,905</u>	<u>90,459</u>
	<u><u>157,905</u></u>	<u><u>90,459</u></u>

An Chomhairle Mhúinteoireachta
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Notes to the Financial Statements
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11. Reserves

	General Reserve	Designated Reserve	Total
	€	€	€
Opening Reserves	13,406,311	4,000,000	17,406,311
Surplus for the year	758,202	-	758,202
Closing Reserves	<u>14,164,513</u>	<u>4,000,000</u>	<u>18,164,513</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.

12. 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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Notes to the Financial Statements
for the year ended 31 December 2020

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13. Gross Cash Flows

	2020	2019
	€	€
Returns on Investments and Servicing of Finance		
Interest received	-	296
	<u>=====</u>	<u>=====</u>
Taxation		
DIRT	-	(104)
	<u>=====</u>	<u>=====</u>
Capital Expenditure and financial investment		
Payments to acquire tangible assets	(645,996)	(63,386)
Transfer to investment portfolio	-	(12,000,000)
Income from investment portfolio	(103,419)	(57,626)
Fair Value movement in investment portfolio	(170,208)	(294,278)
	<u>=====</u>	<u>=====</u>
	(919,623)	(12,415,290)
	<u>=====</u>	<u>=====</u>

14. Analysis of Changes in Net Cash and Cash Equivalents

	Opening balance	Cash flows	Closing balance
	€	€	€
Cash at bank and in hand	1,086,461	296,630	1,383,091
Net Cash and Cash Equivalents	<u>=====</u>	<u>=====</u>	<u>=====</u>
	1,086,461	296,630	1,383,091
	<u>=====</u>	<u>=====</u>	<u>=====</u>

15. Post Balance Sheet Events

There were no events subsequent to the year end that would impact on or require disclosure in the financial statements or in the notes thereto.

16. Approval of Financial Statements

The financial statements were approved by the Council on 5th July 2021 and signed on its behalf by

Seán McMahon
Chairperson

Tomás Ó Ruairc
Director