

Údarás Náisiúnta
Cáilfochtaí na hÉireann
National Qualifications
Authority of Ireland



NATIONAL QUALIFICATIONS AUTHORITY OF IRELAND

ANNUAL ACCOUNTS

2001

Your Plan – Your Future



Funded by the Irish Government and part
Financed by the European Union under the
National Development Plan, 2000 - 2006



NATIONAL QUALIFICATIONS AUTHORITY OF IRELAND

ANNUAL ACCOUNTS 2001

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FOREWORD FROM THE CHIEF EXECUTIVE

I am pleased to present this publication of the Annual Accounts 2001 for the National Qualifications Authority of Ireland. The Authority was established on 26 February, 2001 under the Qualifications (Education and Training) Act, 1999 and these accounts represent the Authority's first 10 months of operation. The Authority has presented the Annual Accounts 2001 to the Minister for Education and Science and has laid them before the Houses of the Oireachtas.

The Authority's mission is

"to lead a cultural change, in partnership with stakeholders, with the aim of achieving

- *wide recognition of outcomes of learning, and*
- *improved access for learners to quality learning opportunities".*

Through the performance of these two principal tasks, the key cultural change sought is to refocus the arrangements for learners accessing learning opportunities and attaining awards on the needs of learners themselves.

In December 2003 the Authority published a Corporate Plan 2003 -2006 which formally incorporated a report on its first two and a half years of work. The Plan also set out the Authority's development and implementation programme for its work over the next three years.

I would like to invite you to follow the progress of the Authority by visiting its website www.nqai.ie.



Seán Ó Foghlú
Chief Executive

February 2004

LETTER OF REPRESENTATION

The Office of the Comptroller and Auditor General
Dublin Castle
Dublin 2

Letter of Representation

Financial Statements for the Period from 26 February 2001 to 31 December 2001

The National Qualifications Authority of Ireland was established under Section 5 of the Qualifications (Education and Training) Act, 1999 and the Qualifications (Education and Training) Act, 1999 (Commencement) Order, 2001 (S.I. No. 57 of 2001). We confirm to the best of our knowledge and belief, and having made appropriate enquiries of other officials of the Authority the following representations given to you in connection with your audit of the financial statements of the Authority for the Period from 26 February, 2001 to 31 December, 2001.

- 1 We acknowledge as members of the Authority our statutory responsibility for the fair presentation in the financial statements of the financial position, results of operations and changes in financial principles. All of the accounting records have been made available to you for the purpose of your audit. All other records and related information, including minutes of all Authority meetings have been made available to you.
- 2 We are not aware of any accounts, transactions or material agreements not fairly described and properly recorded in the financial and accounting records.
- 3 There have been no events since the balance sheet date which would require either revision of the amounts included in the financial statements or disclosure in a note thereto.
- 4 There were no contingent liabilities at 31 December, 2001.
- 5 There were no capital commitments at 31 December, 2001.
- 6 All transaction with subsidiary and related companies have been properly reflected in the financial statements.
- 7 All income and expenditure relating to the normal activities of the Authority have been included in the Income and Expenditure Accounts.
- 8 Accounting principles are applied on a basis consistent with stated accounting policies.
- 9 The Authority has complied with all aspects of contractual agreements that could have a material effect on the financial statements in the event of non-compliance. There have been no communications concerning non-compliance with requirements of regulatory or tax authorities with respect to any matter.
- 10 We have no plans or intentions that may materially affect the carrying value of classification of assets and liabilities disclosed in the financial statements.
- 11 The Authority has satisfactory title to all assets disclosed in the financial statements and there are no liens or encumbrances on the assets, except as disclosed in the financial statements.

- 12 We confirm that cash balance as shown in the financial statements is accurate.
- 13 Except as disclosed to you, we have no other bank or financing facilities available.
- 14 There are no instances of loss, fraud, or irregularity known to have occurred during the Period from 26 February, 2001 to 31 December, 2001 and to date, whether due to the action or non-action of a person within the Authority or due to an outside agency.

For and on behalf of the National Qualifications Authority of Ireland

Richard Langford

CHAIRPERSON

Seán Ó Foghlú

CHIEF EXECUTIVE

NATIONAL QUALIFICATIONS AUTHORITY OF IRELAND

INFORMATION

Authority Address:	5th Floor Jervis House Jervis Street Dublin 1
Senior Executive:	Seán Ó Foghlú – Chief Executive Dr Anna Murphy – Director of Framework Development Ms Valerie Beatty – Director of Corporate Affairs
Members of the Authority:	Mr Richard Langford – Chairperson Prof Joyce O' Connor Prof Ciarán Murphy Mr Donal Kerr Ms Inez Bailey Ms Marie O' Mahony Fr Nicholas Flavin Mr Will Priestley Dr Caroline Hussey Ms Caroline Nash Prof Anne Moran Dr Abrar Hasan Mr Seán Ó Foghlú – Chief Executive
Bank:	Bank of Ireland College Green Dublin 2
Solicitors:	Brian Whitaker & Co Solicitors 17 Fitzwilliam Square Dublin 2
Auditors:	The Comptroller and Auditor General Dublin Castle Dublin 2
Website:	www.nqai.ie

NATIONAL QUALIFICATIONS AUTHORITY OF IRELAND

REPORT OF THE COMPTROLLER AND AUDITOR GENERAL FOR PRESENTATION TO THE HOUSES OF THE OIREACHTAS

I have audited the financial statements on pages 5 to 10* under Section 57(2) of the Qualifications (Education and Training) Act, 1999.

RESPECTIVE RESPONSIBILITIES OF THE AUTHORITY AND THE COMPTROLLER AND AUDITOR GENERAL

The accounting responsibilities of the Authority are set out in the Statement of Responsibilities of the Authority on page 4**. It is my responsibility, based on my audit, to form an independent opinion on the financial statements presented to me by the Authority and to report on them.

BASIS OF AUDIT OPINION

In the exercise of my function as Comptroller and Auditor General, I conducted my audit of the financial statements in accordance with auditing standards issued by the Auditing Practices Board and by reference to the special considerations which attach to State bodies in relation to their management and operation.

An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made in the preparation of the financial statements, and of whether the accounting policies are appropriate to the circumstances of the Authority, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations that I considered necessary to provide me with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement whether caused by fraud or other irregularity or error. In forming my opinion I also evaluated the overall adequacy of the presentation of information in the financial statements.

OPINION

In my opinion, proper books of account have been kept by the Authority and the financial statements, which are in agreement with them, give a true and fair view of the state of affairs of the National Qualifications Authority of Ireland at 31 December 2001 and of its income and expenditure for the period then ended.



John Purcell
Comptroller and Auditor General
18 December 2003

* pages 13–17 in this publication

** page 12 in this publication

NATIONAL QUALIFICATIONS AUTHORITY OF IRELAND

STATEMENT OF RESPONSIBILITY OF THE AUTHORITY

The National Qualifications Authority was established on 26th February 2001, by the Minister for Education and Science, under Section 5 of the Qualifications (Education and Training) Act, 1999.

The functions of the National Qualifications Authority are to do all things necessary or expedient in accordance with the Act to further the objects of the Authority.

The objects of the Authority are as follows:-

- (a) to establish and maintain a framework, being a framework for the development, recognition and award of qualifications in the State based on standards of knowledge, skill and competence to be acquired by learners.
- (b) to establish and promote the maintenance and improvement of the standards of further education and training awards and higher education and training awards of the Further Education and Training Awards Council, the Higher Education and Training Awards Council, the Dublin Institute of Technology and universities established under section 9 of the Act of 1997
- (c) to promote and facilitate access transfer and progression.

Section 57 of the Qualifications (Education and Training) Act, 1999 requires the National Qualifications Authority (referred to as the Authority) to prepare financial statements in such form as may be approved by the Minister for Education and Science after consultation with the Minister for Finance.

In preparing those financial statements, the Authority is required to:-

- select suitable accounting policies and apply them consistently.
- make judgments and estimates that are reasonable and prudent.
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Authority will continue in operation.
- disclose and explain any material departures from applicable accounting standards.

The Authority is responsible for the keeping of proper books of account which disclose with reasonable accuracy at any time its financial position and which enable it to ensure that the financial statements comply with section 57 of the Qualifications (Education and Training) Act, 1999. The Authority is also responsible for safeguarding its assets and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Richard Langford
CHAIRPERSON

Seán Ó Foghlú
CHIEF EXECUTIVE

11 December 2003

NATIONAL QUALIFICATIONS AUTHORITY OF IRELAND

STATEMENT OF ACCOUNTING POLICIES

BASIS OF PREPARATION

The financial statements are prepared under the accrual method of accounting, except as indicated below, and in accordance with generally accepted accounting principles under the historical cost convention. The Financial Statements are in the form approved by the Minister for Education and Science with the concurrence of the Minister for Finance.

PERIOD OF ACCOUNT

The Financial Statements relate to the period 26 February 2001 to 31 December 2001.

STATE GRANTS

Income shown in the financial statements under State Grants represents the actual receipts in the period.

TANGIBLE ASSETS AND DEPRECIATION

Tangible Assets are stated at their historical cost less accumulated depreciation. Depreciation is charged to the Income and Expenditure Account on a straight line basis, at the rates set out below, so as to write off the assets, adjusted for residual value, over their expected useful lives as follows:-

Computer Equipment	33.33%
Office Equipment	20%
Office Furniture	10%

CAPITAL ACCOUNT

The Capital Account balance represents the unamortised value of income applied for capital expenditure purposes.

FOREIGN CURRENCIES

Transactions denominated in foreign currencies are translated into Irish pounds and recorded at the rates of exchange ruling at the dates of transactions. Monetary assets and liabilities denominated in foreign currencies are translated into Irish pounds at the rates of exchange ruling at the balance sheet date or at forward purchase contract rates where such contracts exist.

CURRENCY

The unit of currency in which the financial statements are denominated is the Irish pound. Comparative euro figures are disclosed for memorandum purposes only.

PENSIONS

The Authority is in ongoing discussions with the Department for Education and Science regarding pension arrangements. A draft pension scheme has been developed and is awaiting approval from the Houses of the Oireachtas.

All staff were on secondments or contract to the Authority during 2001.

NATIONAL QUALIFICATIONS AUTHORITY OF IRELAND

INCOME AND EXPENDITURE ACCOUNT FOR PERIOD ENDED 31 DECEMBER 2001

	Note	2001 IR£	2001 €
INCOME			
State Grant	1	1,764,000	2,239,818
		1,764,000	2,239,818
Transfer to Capital Account	10	(47,898)	(60,818)
		1,716,102	2,179,000
EXPENDITURE			
Grant Payments	2	1,234,000	1,566,857
Staff Costs	3	163,030	207,005
Upkeep and Overheads	4	75,324	95,642
General Expenses	5	140,691	178,640
Education	6	17,880	22,703
		1,630,925	2,070,847
SURPLUS FOR THE PERIOD		85,177	108,153

The Statement of Accounting Policies, and notes 1 – 13 form part of these financial statements.

There are no recognised gains or losses, other than those dealt with in this Account.

Richard Langford

CHAIRPERSON

11 December 2003

Seán Ó Foghlú

CHIEF EXECUTIVE

11 December 2003

NATIONAL QUALIFICATIONS AUTHORITY OF IRELAND

BALANCE SHEET AS AT 31 DECEMBER 2001

	Note	2001 IR£	2001 €
TANGIBLE ASSETS	7	47,898	60,818
CURRENT ASSETS			
Cash on hand and at bank		45,962	58,360
Debtors and prepayments	8	62,758	79,686
		108,720	138,046
CURRENT LIABILITIES			
AMOUNTS FALLING DUE WITHIN 1 YEAR			
Creditors	9	23,543	29,893
NET CURRENT ASSETS		85,177	108,153
NET ASSETS		133,075	168,971
FINANCED BY:			
Capital Account	10	47,898	60,818
Income and Expenditure Account		85,177	108,153
		133,075	168,971

The Statement of Accounting Policies, and notes 1 – 13 form part of these financial statements.

Richard Langford

CHAIRPERSON

11 December 2003

Seán Ó Foghlú

CHIEF EXECUTIVE

11 December 2003

NATIONAL QUALIFICATIONS AUTHORITY OF IRELAND

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2001

	2001 IR£	2001 €
1 State Grant		
Grant towards Administration	530,000	672,961
Grant for the Further Education and Training Awards Council	1,234,000	1,566,857
	1,764,000	2,239,818
2 Grant Payments		
Further Education and Training Awards Council	1,234,000	1,566,857
	1,234,000	1,566,857
<p>In accordance with Section 11 (1) of the Qualifications (Education and Training) Act, 1999 the Authority is provided with a grant each year by the Oireachtas. In accordance with Section 11 (2) of the Act, in each year the Authority may pay out of moneys received under Section 11 (1) a grant or grants to the Higher Education and Training Awards Council and the Further Education and Training Awards Council and in accordance with Section 11 (3) of the Act, payments to the Awards Councils are made in such a manner and subject to such conditions as the Authority thinks fit.</p>		
3 Staff Costs		
Salaries and Wages	127,012	161,272
Travel and Subsistence	19,566	24,844
Recruitment Costs	14,029	17,813
Staff Training	2,423	3,076
	163,030	207,005
4 Upkeep and Overheads		
Repairs and Maintenance	3,698	4,695
Rent and Rates	54,961	69,786
Insurance	536	681
Depreciation	16,129	20,480
	75,324	95,642
5 General Expenses		
Telephone and Postage	10,234	12,994
Accountancy	7,295	9,263
Bank Charges	88	112
Information Technology	8,427	10,700
Staff Development	273	347
Audit Fees	4,726	6,000
Advertising	64,534	81,942
Stationery	25,872	32,850
Newspapers and Books	722	917
Subscriptions	1,071	1,360
General Office Supplies	683	867
Office Equipment	4,397	5,583
Meeting Expenses	2,379	3,021
Legal Fees	6,900	8,761
Lease/Hire of Office Equipment	2,778	3,527
Miscellaneous	312	396
	140,691	178,640
6 Education		
Publications	6,163	7,825
Publications Advertising	9,632	12,230
Seminar expenses	2,085	2,648
	17,880	22,703

NATIONAL QUALIFICATIONS AUTHORITY OF IRELAND

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2001

7 Tangible Assets	Office Furniture IR£	Office Equipment IR£	IT Equipment IR£	Total IR£	Total €
Cost					
Additions in period	354	14,292	49,381	64,027	81,298
Balance at 31 December 2001	354	14,292	49,381	64,027	81,298
Accumulated Depreciation					
Charge for the period	30	2,382	13,717	16,129	20,480
Balance at 31 December 2001	30	2,382	13,717	16,129	20,480
Net Book Value					
Balance at 31 December 2001	324	11,910	35,664	47,898	60,818
				2001 IR£	2001 €
8 Debtors and Prepayments					
Debtors				341	433
Prepayments				62,417	79,253
				62,758	79,686
9 Creditors and Accruals					
Creditors				2,039	2,589
Accruals				21,504	27,304
				23,543	29,893
10 Capital Account					
Transfer from Income and Expenditure Account				47,898	60,818
Balance at 31 December 2001				47,898	60,818
11 Capital Commitments					
There were no capital commitments at 31 December 2001.					
12 Contingent Liabilities					
No contingent liabilities existed at 31 December 2001.					
13 Approval of Financial Statements					
The financial statements were approved by the Authority at its meeting on 11 December 2003.					