



General Teaching Council  
for Northern Ireland

Promoting Teacher Professionalism

# Annual Report + Accounts

for the year ended 31 March 2018

2017 / 2018



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**General Teaching Council  
for Northern Ireland**

Promoting Teacher Professionalism

**2017-18  
Annual Report  
and  
Accounts**

**For the year ended 31 March 2018**

Layed before the Northern Ireland Assembly  
in accordance with paragraph 12 of Schedule 1  
to the Education (Northern Ireland) Order 1998  
by the Department of Education

on

5 July 2019

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## FOREWORD BY THE CHAIRPERSON

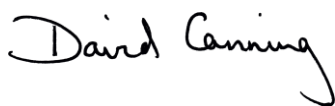


During 2017-18 the General Teaching Council for Northern Ireland built on the work of the previous year to embed its new corporate governance framework.

As a Council, we participated in the independent review of the organisation, commissioned by the Department of Education. We were pleased when the review concluded that there is a continuing need for the organisation, and we immediately commissioned work to begin to implement its recommendations around the transformation of the organisation to make it fit for the future.

We dedicated considerable resource to putting into operation the Council's statutory duties around the regulation of the teaching profession. We have worked closely with the Department of Education and other education stakeholders in the implementation of 'Learning Leaders' the Department of Education's strategy for teacher professional learning.

Council progressed each of these important issues in 2018-19 for the betterment of Northern Ireland's teaching profession and wider society.

A handwritten signature in black ink that reads "David Canning". The script is fluid and cursive, with a long, sweeping tail on the final letter.

**David Canning OBE**  
GTCNI Chairperson

## **PERFORMANCE REPORT – OVERVIEW**

### **Background**

The General Teaching Council for Northern Ireland (GTCNI) is the statutory, professional and regulatory body for the teaching profession and is dedicated to enhancing the status of teaching and promoting the highest standards of professional conduct and practice. The Council was established by the Education (Northern Ireland) Order 1998.

### **Principal Objectives and Activities**

The Council's responsibilities, as set out in the Education (Northern Ireland) Order 1998, Articles 34-41 as amended by the 2003 and 2006 Education (NI) Orders, are as follows;

1. the establishment and maintenance of a register of teachers ;
2. the approval of qualifications for the purposes of registration;
3. regulatory functions relating to misconduct; and
4. the provision of advice to the Department of Education and employing authorities on:
  - registration;
  - the training, career development and performance management of teachers;
  - standards of teaching;
  - and standards of conduct for teachers.
5. such additional and ancillary functions as the Department considers the Council may appropriately discharge in conjunction with any of its other functions.

The mission of the General Teaching Council for Northern Ireland, working in collaboration with the profession and key stakeholders, is to promote teacher professionalism by: advocating the highest standards of professional conduct and practice; ensuring that everyone wishing to teach in Northern Ireland schools is appropriately qualified, registered and regulated; promoting career-long professional development and providing government and employing authorities with recommendations for enhancing teachers' career-long professional development; and providing an authoritative voice on behalf of the profession, informed by reliable research, evidence and practice.

It continues to be the General Teaching Council's aspiration to develop its role, influence and standing as an independent and respected professional body for teachers, which represents and regulates the profession for the greater good of teachers, pupils, parents and the general public. In the conduct of its business, the Council is committed to demonstrating its core belief in the value of collaboration, reflection, respect and responsibility. Along with the profession as a whole, the General Teaching Council for Northern Ireland shares and promotes the Department of Education's vision of: *'Every young person achieving to his or her full potential at each stage of his or her development'*.

### **Governance and Accountability**

The Council is designated as a Non-Departmental Public Body (NDPB) sponsored by the Department of Education (DE). The designated Accounting Officer, the Chief Executive Officer is personally responsible for safeguarding the public funds for which he/she has

charge: for ensuring propriety and regularity in the handling of those public funds; and for the day-to-day operations and management of the GTCNI.

The Governance Statement on page 12 addresses governance and assurance issues relating to the management of expenditure and the discharge of responsibilities during the 2017-18 financial year to support the achievement of the Council's objectives. This is in accordance with the responsibilities assigned to the Accounting Officer in 'Managing Public Money (Northern Ireland)' and the principles of 'the Corporate Governance Code' DAO (DFP) 06/13, in so far as they relate to GTCNI. In his governance statement the Accounting Officer has provided assurance to the Northern Ireland Assembly and to Northern Ireland's teaching profession that the weaknesses in GTCNI's systems of internal control, governance and accountability have been recognised by the Accounting Officer, and robust action will be taken to address them. Ongoing internal and external scrutiny will continue to be applied to ensure their effectiveness and appropriateness going forward.

### **Purpose**

The thrust of the Council's work continues to be, about enhancing respect for, and trust in, the teaching profession by promoting teacher professionalism, autonomy, professional voice and influence.

As the professional registration and regulatory body for teachers in Northern Ireland, one of the Council's core purposes is to maintain and improve its professional registration service so that only those who are appropriately qualified can teach in grant-aided schools in Northern Ireland. The Council is finalising its arrangements to deliver effective regulation of the Northern Ireland teaching profession.

The Council has continued to promote the importance of teachers' professional development and will work with DE and other stakeholders on the implementation of 'Learning Leaders - A Strategy for Teacher Professional Learning'.

### **Equality of Opportunity**

The Council meets its equality of opportunity obligations and these are set out in its Equal Opportunities Policy and its Equality Scheme and Disability Action Plan.

### **Council's Committee Structure**

The Council, which is representative of the teaching profession and other stakeholders, sets the strategic direction for work within its remit and is supported by an Executive Team of salaried employees. The Council delegates some of its responsibilities to the following committees;

- Policy, Registration and Regulation Committee;
- Human Resources Committee;
- Finance and General Purposes Committee; and
- Audit and Risk Assurance Committee.

## **PERFORMANCE REPORT - PERFORMANCE ANALYSIS**

### **Results for the Year**

The Council had a net deficit after financing of £51,506 for the year (as per page 37)

### **Corporation Tax**

In 2013 the General Teaching Council for Northern Ireland (the Council) received confirmation from HMRC that it was a charity for tax purposes under Part 1, Paragraph 1 of Schedule 6 of the Finance Act 2010. Subsequently the Charity Commission for Northern Ireland (CCNI) was established and the Council was obliged to apply to the CCNI to be recognised as a charity, which it did on 23 June 2014.

In February 2016 the CCNI advised the Council of its intent to decline its application on the basis that its purposes were not wholly charitable. In particular, the CCNI pointed out that GTCNI had been set up (in legislation) in part to provide advice to the Department of Education, which in the CCNI's view is not a charitable purpose but rather a furtherance of government policy.

CCNI wrote to the Council on 24 November 2017 indicating that the Council is not to be registered as a charity on the Northern Ireland register of charities. The Council lodged a request for a review of this decision and on 9 March 2018 CCNI advised the Council that it is upholding its original decision that the Council is not a charity.

Following on from CCNI's decision, HMRC has confirmed that income in respect of registration fees may be regarded as non-trading. However, corporation tax is chargeable on income from all other sources from 23 November 2017.

### **Non-Current Assets**

The movement of non-current assets is summarised in the notes to the accounts. The Council does not believe that there is any material difference between the market and historical book values of its non-current assets as at 31 March 2018. The non-current assets are stated at historical cost less depreciation and have not been re-valued during the year.

### **Reporting Performance**

During the year the Council delivered on its corporate goals as set out in the interim Business Targets Framework;

- The Council made sufficient progress to enable it to be released from DE "special measures".
- A competition to appoint a permanent Registrar/Chief Executive Officer was completed on 23 March 2018 and a new Registrar/Chief Executive Officer was appointed on 1 August 2018.
- The Council has made progress in taking forward professional regulation including developing a set of Conduct Rules approved by DE and processing referrals in relation to teacher misconduct as far as has been possible.



- The Council agreed the process for the reaccreditation of Initial Teacher Education programmes in Northern Ireland's Higher Education Institutes, work which will get underway in 2018-19.
- The Council participated in DE's Learning Leaders Oversight Group to identify and deliver supporting actions from GTCNI
- A Strategic Communications Framework has been developed and agreed by Council.
- An Equality Scheme and Disability Action Plan has been developed and consulted on.
- The recommendations of the Review of Management Culture and Practice have been progressed, including consideration of a performance management system which is currently being developed.
- The Council has completed the teacher registration process for 2017-18, registering 26,817 teachers generating registration fee income of £1,150k.
- The Council continued to approve qualifications to teach in Northern Ireland, generating £28k from this activity.
- The Council managed its budget effectively within an end-year budget underspend of 3 % (£39k) on the final 2017-18 budget.
- The Annual Report and Accounts for the year 2016-17 was finalised with unqualified audit opinions and copies layed before the Assembly.
- Throughout 2017-18 the Council engaged with its Centre of Procurement Expertise – Central Procurement Directorate (CoPE CPD) to ensure that procurements were in compliance.
- Throughout 2017-18 98.7% of all non-disputed invoices were paid within 10 working days.
- Throughout 2017-18 100% of all non-disputed invoices are paid within 30 working days.

# **ACCOUNTABILITY REPORT**

## **Corporate Governance Report**

### **Report of Council**

#### **Council Members**

The General Teaching Council for Northern Ireland (GTCNI) (the Council) is the professional registration and regulatory body for teachers in Northern Ireland. The Council's work is funded by teachers' annual registration fees.

GTCNI is governed by a representative Council of thirty three members. Twelve members are elected in accordance with paragraph 5 of the Constitution Regulations and the Council's Scheme of Election and nineteen members were appointed by the bodies set out in paragraph 7 of the Constitution Regulations. The term of office of the current Council comes to an end on 14 October 2019.

#### **Senior Management Team**

Mr Sam Gallaher was appointed as Chief Executive Officer on 1 August 2018, superseding Mrs Anne Dickson who acted as Interim Chief Officer until 1 July 2018. A DE officer, Mrs Beverley Wall, acted as interim Accounting Officer for the period 2 July 2018 until 31 July 2018. Mr Gallaher is supported by professional staff responsible for the Council's strategic and operational work programmes. During the year the following staff were members of the Senior Management Team: Mrs Anne Dickson (Interim Chief Officer until 1 July 2018), Mr Gerry Devlin (Senior Education Officer), the Head of Planning and Corporate Services (until 19 September 2018) and Mrs Majella Matthews (Finance and Contracts Manager).

#### **Format of Accounts**

The Annual Report and Accounts has been prepared in accordance with the requirements and guidelines set out in the Government's Financial Reporting Manual (FReM) issued by the Department of Finance, which is in force for the financial year for which the accounts are being prepared, and under an Accounts Direction given by the Department of Education in accordance with paragraph 12 of Schedule 1 to the Education (Northern Ireland) Order 1998. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context.

#### **Prompt Payment**

The Council is committed to the prompt payment of bills for goods and services received in accordance with the terms of contracts. It aims to pay invoices within 10 days and no later than 30 days. GTCNI complies with the British Standard for Achieving Good Payment Performance in Commercial Transactions (BS 7890), and with the Late Payment of Commercial Debts (Interest) Act 1998 as amended and supplemented by the Late Payment of Commercial Debts Regulations 2002 DAO (DFP) 12/98. During the year the Council paid 98.7% of its invoices within 10 days and 100% of all invoices non-disputed within 30 days, and as such no commercial debt interest was paid or due.

## **Auditors**

The Council's financial statements are audited by the Comptroller & Auditor General for Northern Ireland (C&AG) in accordance with paragraph 12 of Schedule 1 to the Education (Northern Ireland) Order 1998. The Northern Ireland Audit Office and its staff are wholly independent of the Council and the Department of Education. The Comptroller & Auditor General reports his findings to the Northern Ireland Assembly.

The Council incurred a notional audit fee of £11,500 in respect of the audit of the financial statements. The Northern Ireland Audit Office received no remuneration in respect of non-audit work during the year.

The Council confirms that:

- so far as its Chief Executive Officer is aware, there is no relevant audit information of which the Council's auditors are unaware; and
- the Chief Executive Officer has taken all the steps that he ought to have taken to make himself aware of any relevant audit information and to establish that the Council's auditors have been made aware of that information.

**TABLE 1: Council membership for the period was as follows:**

<b>ELECTED MEMBERS</b>		
<b>Representation Provided for</b>	<b>Name of Representative</b>	<b>Representative from</b>
Nursery School Representative	Ms Joanne Burns	April 2016
Special School Representative	Mr Paul Fitzpatrick	April 2016
Primary School Representatives	Mr Chris Murdock Ms Catriona Mullan Ms Grainne McAleer Ms Delma Boggs 1 Vacant Seat	April 2016
Secondary School Representatives	Ms Susan Parlour Mr Raymond Beggs Mr Brendan Morgan Ms Siobhan McElhinney Mr Clive Bowles	April 2016
Primary School Principal	Mr Brian McGrath	April 2016
Secondary School Principal	Vacant	

<b>APPOINTED MEMBERS</b>		
<b>Representation Provided for</b>	<b>Name of Representative</b>	<b>Representative from</b>
Northern Ireland Teachers' Council	Mr David Canning Mrs Gillian Dunlop Mr Gordon White Mr Paddy McAllister Mr Eamonn McDowell	Continuing Term October 2015 April 2016 October 2015 December 2017
The Education Authority	Mr David Cargo Mrs Monica Culbert	October 2015 October 2015
Council for Catholic Maintained Schools	Malachy Crudden Paul O'Doherty	February 2014 October 2015
Comhairle na Gaelscolaíochta	Ms Áine Andrews	Continuing Term
Governing Bodies Association	Mrs Mary Lou Winchborne	October 2015
Northern Ireland Council for Integrated Education	Ms Cliodhna Scott-Wills	May 2015
Transferor Representatives' Council	Miss Rosemary Rainey	Continuing Term
Trustees of Catholic Maintained Schools	Mrs Carmel McCartan	September 2014
Universities Council for the Education of Teachers	Dr Martin Hagan	October 2015
Department of Education	Mr Paul Boyle Ms Sheila Fleming Ms Maria Mullally	February 2016 February 2016 February 2016

## **Complaints Procedure**

The Council has a complaints procedure in place. No complaints were received during 2017-18.

## **Health and Safety**

The Council is committed to adhering to Health and Safety legislation at work to ensure that staff and visitors enjoy the benefits of a safe environment.

## **Charitable Donations**

The Council made no charitable donations during the period.

## **Personal Data Related Incidents**

Council consulted the ICO regarding four data handling incidents during 2017-18. One instance related to the circulation of a limited amount of personal data with a trusted partner in error. Two instances related to the internal circulation of personal data to the incorrect email recipients. The Council has now amended its policy in relation to the emailing of personal data, to ensure such documents are password protected. One instance related to the 'unlocking' of restricted electronic files on the GTCNI staff shared drive containing HR information during the transition to its new IT provider. The issue was identified and remedied immediately by the IT provider. The ICO has indicated it is content that these minor incidents and that we are under no obligation to report them.

## **Disabled Persons**

The Council has an Equality Commission approved Equality Scheme and Disability Action Plan in place. The Council adopts an equal opportunities approach to the recruitment, development and promotion of staff. Full and fair consideration is given to applications for employment from all parties including those considered disabled.

## **Future Developments**

The Council continues to work on a number of key initiatives, including:

- operationalising the Council's powers to regulate the teaching profession; and
- a transformation programme based on the recommendations of an independent review, including the appointment of a permanent registrar and a staff restructure; and
- working towards the reconstitution of the Council in October 2019; and
- working with DE on the implementation of 'Learning Leaders - A Strategy for Teacher Professional Learning'.

## **Reconstitution of Council**

As and from 15 April 2016, the Council is reconstituted in accordance with the GTCNI (Constitution) Regulations (Northern Ireland) 2001.

## **Chairperson**

The Chair elected by Council is Mr David Canning OBE.

### **Important Events Occurring after the Year End**

In February 2019 HMRC advised GTCNI that charitable recognition for tax purposes has been removed, effective from 23 November 2017. In March 2019 HMRC advised GTCNI that income from registration fees may be regarded as non-trading and thus exempt from a Corporation Tax charge. However, income from other sources is treated as chargeable.



**Sam Gallaher**

Chief Executive Officer

Date: 28 June 2019

## **STATEMENT OF THE GENERAL TEACHING COUNCIL FOR NORTHERN IRELAND'S AND ACCOUNTING OFFICER'S /CHIEF EXECUTIVE OFFICER'S RESPONSIBILITIES**

Under paragraph 12 of Schedule 1 to the Education (Northern Ireland) Order 1998, the General Teaching Council for Northern Ireland is required to prepare financial statements in the form and on the basis determined by the Department of Education with the approval of the Department of Finance. The financial statements are prepared on an accruals basis and must give a true and fair view of the state of affairs of the Council at the year end and of its income and expenditure, changes in taxpayers' equity and cash flows for the financial year.

In preparing these financial statements, the Council is required to:

- observe the accounts direction issued by the Department of Education including relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Council will continue in operation.

The responsibilities of the Accounting Officer/ Chief Executive Officer (including responsibility for the propriety and regularity of the public finances for which the Chief Executive Officer is answerable and responsibility for keeping proper records and for safeguarding the Council's assets) are set out in 'Managing Public Money Northern Ireland'.



**Sam Gallaher**

Chief Executive Officer

Date: 28 June 2019

## **GOVERNANCE STATEMENT**

### **Introduction**

This Governance Statement sets out how the Chief Executive Officer and Accounting Officer for the General Teaching Council for Northern Ireland, discharge their responsibility to manage and control the resources of the Council, and the actions taken to maintain an effective system of governance and risk management measures to support the achievement of the Council's policies, aims and objectives during 2017-18.

### **GTCNI's Governance Framework**

The General Teaching Council Northern Ireland (GTCNI) ('the Council') is the professional registration and regulatory body for the teaching profession in Northern Ireland and is funded by the profession through annual registration fees.

The Council is deemed a Non-Departmental Public Body (NDPB) and has a Management Statement and Financial Memorandum (MSFM) in place with the Department of Education (DE). The Management Statement sets out the broad framework within which the Council is required to operate. The Financial Memorandum defines the financial parameters and constraints with which the Council is obliged to comply.

The Council is constituted in accordance with the 'The General Teaching Council for Northern Ireland (Constitution) Regulations (Northern Ireland) 2001. Throughout 2017-18 the Council had a membership of thirty one representing the teaching profession and the wider education service in Northern Ireland.

The Chief Executive Officer is responsible to the Council for the effective operational leadership and management of the organisation, its staff, its resources and for ensuring good governance. The Accounting Officer is also responsible to the Minister of Education and the Department of Education for ensuring that effective systems of internal control are in place and for the development and implementation of continuous improvement plans.

### **Council and its Committees**

The Council continues to have corporate responsibility for establishing the overall strategic direction of GTCNI and for promoting the efficient, economic and effective use of staff and other resources within the MSFM framework. Its role is formalised through its statutory and Governance Framework, Standing Orders and a Code of Conduct for Council Members.

Throughout 2017-18 Council continued to consolidate the progress of the previous year in terms of delivering effective governance. It met four times during the year, and each of its four sub-committees met a minimum of four times, subsequently providing written minutes to Council providing assurance on their relative areas of responsibility.



The sub committees comprise:

- Policy, Registration and Regulation Committee;
- Finance and General Purposes Committee;
- Human Resources Committee; and
- Audit and Risk Assurance Committee.

**TABLE 2: Attendance at meetings April 2017 to March 2018**

Member	Council Attendance	Sub-Committee Attendance (possible attendance shown in brackets)			
		Audit & Risk Assurance	Finance & General Purpose	Policy Registration & Regulation	Human Resources
D Canning OBE	4(4)		3(5)	3(4)	5(5)
P O'Doherty	3(4)		2(5)	1(4)	1(5)
A Andrews	1(4)			2(4)	
R Beggs	4(4)	4(5)			
D Boggs	2(4)		5(5)		
C Bowles	4(4)		5(5)		
P Boyle	2(4)		4(5)		
J Burns	2(4)			3(4)	
D Cargo	2(4)	4(5)			
M Crudden	3(4)			3(4)	
M Culbert	2(4)				3(5)
G Dunlop	2(4)		4(5)		
S Fleming	3(4)	4(5)			
P Fitzpatrick	4(4)				5(5)
M Hagan	2(4)			3(4)	
V Johnston	0(1)*	0(2)*			
G McAleer	2(4)				3(5)
P McAllister	0(4)**		0(5)**		
C McCartan	4(4)			3(4)	
E McDowell	2(2)				1(1)***
S McElhinney	0(4)**		0(5)**		
B McGrath	1(4)				5(5)
B Morgan	4(4)			3(4)	
M Mullally	3(4)			3(4)	
C Mullan	4(4)			3(4)	
C Murdock	0(4)				1(5)
L O'Prey	1(1)*				1(1)*
S Parlour	3(4)	4(5)			
R Rainey OBE	4(4)	4(5)			
T Salmon	***	4(5)			
C Scott-Wills	3(4)			3(4)	
G White	3(4)			4(4)	
ML Winchborne	4(4)			3(4)	

\* Resigned (L O'Prey – June 2017, V Johnson – September 2017)

\*\* Industrial Action

\*\*\* Independent Member of the Audit & Risk Assurance Committee (T Salmon)

## **Committee Highlights**

In addition to the highlights detailed below, each sub-committee of Council considered and contributed to the Business Plan for 2018-19, and participated in initial preparatory in support of workshops the organisation's Corporate Plan which is currently in development.

### **Policy, Registration and Regulation Committee (PRRC)**

In addition to oversight of the Council's work in policy areas and in management of the annual teacher registration process, this Committee's priority was the development of GTCNI's approach to regulation of the teaching profession. Having taken into account the outcome of a public consultation and legal assurances, the Committee recommended the draft Conduct Rules for regulation to Council, which were subsequently approved and adopted in 2018-19. The Committee continues to oversee the development of operational processes for dealing with regulatory referrals.

The Committee oversees the annual registration of teachers' process and the approval of qualifications to teach in grant-aided schools in Northern Ireland. This is to ensure that only suitable individuals with qualifications approved by GTCNI are able to teach in grant-aided schools in Northern Ireland.

The Committee continues to consider how best GTCNI should engage with stakeholders across the sector on the implementation of the Department of Education's teacher professional learning strategy 'Learning Leaders – A Strategy for Teacher Professional Learning'. This included representation on the Oversight Group for Learning Leaders, preparations for the Council's publication of a guide to the NI Teacher Competences *Teaching: The Reflective Profession* (published in 2018-19) and the development of a set of guiding principles on Teacher Professional Learning, which Council considers to be the fundamental principles underpinning quality professional learning.

### **Finance and General Purposes Committee (F&GP)**

In addition to its core responsibilities in relation to financial planning and budget monitoring, this Committee focuses on the Council's performance in procurement and contract management in light of audit recommendations. The Committee ensured that the 2016-17 Annual Report and Accounts were prepared in compliance with the DE Accounts Direction, and the Report was published with an unqualified certificate in March 2018. The appointment of the Northern Ireland Civil Service Internal Audit and Fraud Investigation Service (NICS IAFIS) as the new internal audit provider for Council from mid-November 2017, was approved by both F&GP and Council in October 2017.

In relation to the Council's taxation status, the Committee approved the appointment of taxation consultants to progress the issue with the Charity Commission for Northern Ireland (CCNI), considered the outcome of the Review of Decision from CCNI declining charitable status and the related decision from HMRC that the Council is not liable for corporation tax on its non-trading fee income. It considered amendments to the MSFM with DE and recommended it to Council, and is overseeing work on a revised Reserves Policy for Council's cash balances. The outcome of the work by the appointed taxation consultants was positive in that HMRC has determined that while GTCNI is not a charity that its primary source of income, i.e. teacher registration fees, will be exempt from corporation tax. GTCNI

has also consulted with Land and Property Services (LPS) in respect of any liability for rates in the light of not having charitable status. LPS has confirmed that GTCNI will be liable for rates from 1<sup>st</sup> February 2019 with the exact amount yet to be confirmed, though provision for this liability has been made in the 2019-20 financial plan.

The Committee undertook oversight of work relating to preparations for General Data Protection Regulation (GDPR); preparations for Brexit - including identifying any potential impacts and mitigation to ensure 'business as usual' delivery of GTCNI services/functions after the UK leaves the EU; the finalisation of the Council's Equality Scheme and Disability Action Plan; the transition of the Council's IT infrastructure to IT Assist and the development of a Communications Strategy.

### **Human Resources Committee (HRC)**

The HR Committee continued to oversee progress in the implementation of recommendations from an independent review of management culture and practice. It gave consideration to the development of a new staff performance management framework. The Committee monitors staff attendance levels as a standing agenda item for each meeting. The Committee oversaw the development of the process to appoint a permanent Registrar / Chief Executive Officer, in line with Council policy and DE/Department of Finance requirements. This recruitment was completed August 2018. It also finalised arrangements for the recognition of Northern Ireland Public Service Alliance (NIPSA) through a Recognition and Procedural Agreement and a Facilities Agreement which was duly authorised in May 2018

The committee provides oversight of the Chief Executive Officer's actions on significant employee relations matters.

### **Audit and Risk Assurance Committee (ARAC)**

The ARAC continues to play the vital role of advising Council and the Accounting Officer on matters relating to corporate governance, risk management, internal control and assurance.

The Committee oversees a rolling internal audit programme through which a range of Council processes were reviewed. In 2017-18 this included satisfactory audit opinions on the Council's registration of teachers' process; its preparation for the introduction of regulation and corporate governance, risk management, procurement and contract management processes, areas which had previously attracted a 'limited' assurance. The Council's contract for internal audit services with ASM expired mid November 2017. In September 2017 ARAC recommended an options evaluation on the merit of taking internal audit services from the NICS IAFIS going forward – a decision which was subsequently ratified by both F&GP and Council in October 2017. The NICS IAFIS assumed responsibility from mid-November and further internal audit work was undertaken in relation to the Council's HR policies, information management and a follow up review of previous internal audit recommendations, all of which received a satisfactory audit opinion.

The Committee continues to oversee work to embed the Council's Risk Management Framework and in particular refinement of the Corporate Risk Register and ensure alignment with the Framework and DE risk management processes. The Risk Register, which

previously featured four corporate risks, has had a fifth high level risk added to reflect the risk and mitigating actions in relation to the delivery of regulation.

In conjunction with the Finance and General Purposes Committee and the Council's appointed taxation advisers, Baker Tilly Mooney Moore, the Committee monitored discussions with the Charity Commission for Northern Ireland (CCNI), considered the outcome of the Review of Decision from CCNI declining charitable status and the related decision from HMRC that the Council is not liable for corporation tax on its non-trading fee income. In addition, both Committees have overseen the work and provided independent scrutiny of the 2015-16 and 2016-17 Annual Report and Accounts, both of which have been finalised and laid before the Assembly.

The Committee has also had significant input and scrutiny in relation to the Council's business objectives contained in the 2017-18 Business Targets Framework; a Business Plan for 2018-19; a revised MSFM and a draft Reserves Policy governing the Council's cash balances.

Representatives of internal and external audit attended all meetings of this Committee, as did a representative of the Department of Education as observer. Mr Trevor Salmon remained as a co-opted independent member of the ARAC providing the relevant skills, knowledge and financial expertise. In June 2017, the Committee considered the value of recruiting a further independent members and that Mr T Salmon's membership of the Committee should be retained until this was completed. The Interim Chief Officer explored the matter further and it was subsequently agreed that in light of his experience Mr Salmon's membership should be retained for the foreseeable future until a new Council is elected in 2019 and the composition of a new sub-committee considered.

Throughout 2017-18 there were no reported instances of Fraud, Bribery and Raising a Concern at Work (Whistleblowing).

### **Board Effectiveness**

Council members operated effectively during 2017-18, meeting regularly and considering appropriate issues.

The satisfactory assurance from Internal Audit in April 2017 regarding the Council's control and governance systems provided an indication of the effectiveness of the work undertaken during 2016-17. A formal review of the Council's effectiveness was intended for 2017-18, giving time for the new Corporate Governance Framework and Committee structure to fully embed. However, due to competing pressures this was not completed until 2018--19.

### **Governance and Accountability meetings**

The GTCNI holds bi-annual Governance and Accountability Review (GAR) meetings with the Department of Education. These are chaired by the Permanent Secretary with the Chief Executive Officer and Chair of Council. Under the special measures introduced for GTCNI in December 2015, the frequency of the GAR meetings was increased.

GAR meetings took place in April 2017 and July 2017. The DE Permanent Secretary informed Council in September 2017 that, in light of significant progress, the special

measures regime would be removed and normal stewardship arrangements would be resumed with immediate effect.

### **Compliance with the Corporate Governance Code**

The 'Corporate Governance in Central Government Departments: Code of Good Practice in Northern Ireland 2013' seeks to promote good corporate governance. The focus of the Code is on ministerial departments, but as an NDPB GTCNI is compliant with the practices set out in the Code insofar as it relates to the work of the Council.

### **Quality of Data used by Council**

The Council relies on a range of data to inform its deliberations and decision making, including:

- Financial and operational information, including regular management reports which are subject to rigorous internal controls and internal and external scrutiny;
- Regular reports from internal audit activity and summarised in the Audit Annual Assurance Report;
- Statistical information from the Council's registration database which is refreshed, updated and quality assured on a regular basis; and
- Policy advice derived from research and consultation with stakeholders.

Following the significant effort expended on revising the Corporate Governance Framework, particularly the elements relating to the clarification of the Council's remit and the roles of the Chair, members, Chief Executive Officer and other senior managers and how the committees support the business of the Council, the Council considers that it has confidence in the information and data received during 2017-18.

### **Ministerial Directions**

During 2017-18 no Ministerial Directions were sought or given.

### **Data handling incidents**

The General Teaching Council for Northern Ireland is required to comply with the Data Protection Act 1998 and, from May 2018, the new General Data Protection Regulations (GDPR) in the handling and storage of personal data.

The Council has invested in reviewing its current data protection arrangements to ensure its compliance with GDPR from May 2018.

The Council consulted the ICO regarding four data handling incidents during 2017-18. One instance related to the circulation of a limited amount of personal data with a trusted partner in error. Two instances related to the internal circulation of personal data to the incorrect email recipients. The Council has amended its policy in relation to the emailing of personal data, to ensure such documents are password protected. One instance related to the 'unlocking' of restricted electronic files on the Council's shared drive containing HR information during the transition to its new IT provider. The issue was identified and remedied immediately by the IT provider. The ICO has indicated it is content that these minor incidents and that we are under no obligation to report them.

## **Risk Management**

Risk management is the process through which we seek to control the level of risk facing GTCNI and to reduce its effects.

The GTCNI Risk Management Framework is based on the principles that the Accounting Officer assumes responsibility for risk management across GTCNI as a whole and that the Council, through its Audit and Risk Assurance Committee takes an open and receptive approach to discussing and addressing risks across GTCNI; that there is a recognition and disclosure of the financial and non-financial implications of risks and that monitoring key risks is a priority for the management team.

The new Framework sees the risk management process integrated with regular management processes and informs the annual business planning cycle so as to link risk management and internal control to the Council's ability to fulfil its business objectives.

During 2017-18 a new risk in relation to regulation was added to the risk register (Risk No 5 below), which now identifies five corporate level risks and challenges:

1. The risk of an ineffective governance and accountability framework;
2. Failure to exercise proper stewardship of resources and to align resources to ensure the delivery of objectives within budget;
3. The risk of ineffective arrangements for managing major incidents or emergencies;
4. The risk of ineffective policies and procedures to protect GTCNI from either accidental loss or malicious activities; and
5. The risk that the current legal and administrative frameworks do not provide sufficient protection from legal challenge.

In relation to the identified risk at number 5, the Council has taken a number of steps to identify the primary root causes and mitigate the risks, including further detailed consultation with its legal advisers and the Department of Education to ensure its processes are consistent with the legislative provisions. The GTCNI Conduct Rules relating to regulation are subject to ongoing review and amendment where appropriate in the context of legal advice and developing case law. Both PRRC and ARAC maintain a close scrutiny and governance focus in this critical area. PRRC receives a regulatory update report at each of its meetings and may at any stage ask the ARAC to conduct and oversee a review of the Council's regulatory function.

Internal Audit's review of the Council's Risk Management Framework and updated Corporate Risk Register in March 2017 identified that Council has established risk management processes which are in line with best practice guidance and are working effectively to identify the key risks facing the Council and to manage those risks to an acceptable level. The Risk Register is subject to a detailed quarterly review, update, as appropriate, and sign-off by officers and is a standing agenda item for all meetings of the Audit and Risk Assurance Committee.

In recognition of the importance of effective risk management, GTCNI facilitated the provision of a training session on risk awareness management for members of Council and senior staff in June 2017. Eleven members of Council, drawn from all committees, attended the session. Additionally, one member of the Audit and Risk Assurance Committee attended the Chief Executives' Forum's seminar on 'Public Accountability & Governance for Audit and Risk Assurance Committees' in September 2017, which examined and reviewed the role of the Committee in providing assurance, independent of the Executive, on risk management and internal control. A general awareness session on Risk Management was delivered to all Council members at its meeting in July 2018.

## **Significant Issues**

### **Regulation**

Regulation, and the ability to remove members from the teaching profession whose conduct or behaviour falls below expected standards, is a core feature of all professional bodies. This is reflected in the legislation that established GTCNI and in the GTCNI Regulations 2015. Registration & Regulation underpin the professional status teachers enjoy in Northern Ireland and the delivery of this function by GTCNI, on behalf of the teaching profession, is central to public confidence in the profession.

In 2017-18 GTCNI invested to develop robust and appropriate regulatory processes consistent with its legal powers, relevant case law and UK best practice. The work of officers in this crucial area of business was subject to particular scrutiny from Council, particularly through the Policy, Registration and Regulation Committee, and was underpinned by legal advice and assurances at all stages.

Presently a process to progress professional regulation has been agreed with the Department of Education and adopted by Council. In addition, access to a specialist legal support to lead the investigation and conduct hearing stages of the regulation process is being secured.

### **Organisational Review of GTCNI**

DE commissioned a fundamental review of the administration, management and operation of GTCNI in March 2017, as provided for in the Council's Management Statement and Financial Memorandum (MSFM). The Council welcomed the review and worked closely with the Review Team in its research to inform its deliberations.

DE informed the Council in September 2017 that it had received the report which confirmed that there is a continuing need for a professional organisation / body that can:

- Keep a register of qualified teachers that can be used to provide information and confidence to prospective employers, the teaching profession and general public that only those qualified to teach can do so, as well as data to inform workforce planning and DE's decision on intakes to initial teacher education courses;
- Regulate the teaching profession to ensure that only those who meet the required standards and have not had their eligibility to teach removed on the grounds of misconduct are able to teach in Northern Ireland's schools; and

- Provide leadership, advice and guidance on teacher professional development, career development, performance management of teachers, standards of teaching and standards of conduct for teachers.

The report noted that GTCNI will need to undergo significant change in order to fulfil these requirements, highlighting that transformation is key to the organisation's survival and that this requires vision, leadership and cultural changes from within the organisation itself. It set out recommendations to achieve this.

The Council considered the report's recommendations at its meeting in October 2017 and endorsed them unanimously. The Council agreed a Transition Plan with DE and amended its Business Targets Framework for the remainder of the year to reflect actions from the report that it could address immediately. These include work to develop a programme of reaccreditation of Initial Teacher Education programmes in Northern Ireland's higher education institutions; review of pricing policy for registration applications from outside Northern Ireland; the development of a Corporate Plan and Communications Strategy. The Council also agreed to initiate the process to appoint a permanent Chief Executive/Registrar which was concluded in August 2018. The Council agreed to work with DE on the recommendations from the report, including exploration of how GTCNI may become an independent body. In 2018-19 the Council has initiated work on the development of a corporate plan

### **Removal of special measures regime**

DE's Permanent Secretary informed the Council in September 2017 that the special measures regime that had been in place since December 2015 would be removed with immediate effect and the normal stewardship arrangements that apply between the Department and its NDPBs would resume. In reaching this decision, the Permanent Secretary cited 'significant progress' by the Council in a number of areas including corporate governance; HR and procurement management and developmental work on the regulatory framework.

### **Charitable Status**

In 2013 the General Teaching Council for Northern Ireland (the Council) received confirmation from HMRC that it was a charity for tax purposes under Part 1, Paragraph 1 of Schedule 6 of the Finance Act 2010. Subsequently the Charity Commission for Northern Ireland (CCNI) was established and the Council was obliged to apply to the CCNI to be recognised as a charity, which it did on 23 June 2014.

In February 2016 the CCNI advised the Council of its intent to decline its application on the basis that its purposes were not wholly charitable. In particular, the CCNI pointed out that GTCNI had been set up (in legislation) in part to provide advice to the Department of Education, which in the CCNI's view is not a charitable purpose but rather a furtherance of government policy.



CCNI wrote to the Council on 24 November 2017 indicating that the Council is not to be registered as a charity on the Northern Ireland register of charities. The Council lodged a request for a review of this decision and on 9 March 2018 CCNI advised the Council that it is upholding its original decision that the Council is not a charity.

Following on from CCNI's decision, HMRC has confirmed that income in respect of registration fees may be regarded as non-trading. However, corporation tax is chargeable on income from all other sources from 23 November 2017.

### **Internal Audit Recommendations**

On the basis of the internal audit work undertaken during 2017-18, Internal Audit provided satisfactory assurance in relation to the achievement of the Council's objectives. However, Internal audit assurance work undertaken in 2018-19, on procurement and contracts management and governance and risk management (final report awaited), resulted in limited internal audit assurances on both areas.

Both reviews identified important control weaknesses which have the potential to impact on the overall achievement of corporate objectives.

On the basis of the Internal Audit work undertaken within GTCNI in 2018-19, including a review of progress in implementing previous outstanding audit recommendations; the individual opinion provided for each assignment; and the known issues within the organisation, Internal Audit has concluded that an overall limited assurance is appropriate for the Council in 2018-19.

### **ACCOUNTING OFFICER'S ASSURANCE STATEMENT**

Since the re-constitution of Council in early 2016, GTCNI's members and management continue to work assiduously to steer the organisation through a number of difficulties, in conjunction with input from DE, to ensure it can progress its core business in the interest of the teaching profession.

The Council works cohesively to address any corporate governance weakness and to maintain a solid foundation for GTCNI to deliver its important remit around regulation of the teaching profession and promoting teachers' professional development. The findings of the independent Organisational Review of GTCNI, commissioned by DE, have confirmed the continuing need for the organisation and its recommendations provide a blueprint for the transformation of the organisation into one that is fit for purpose for the future.

The Council is progressing the implementation of the recommendations, and work to appoint a permanent Registrar / Chief Executive Officer concluded on 1<sup>st</sup> August 2018.

Internal Audit has provided a 'satisfactory' opinion in its 2017-18 Internal Audit Assurance Statement.

In conclusion, drawing on the overall assurances provided by internal audit the previous Interim Chief Officer and my enquiry, I can assure the profession, our stakeholders and the Department of Education that this statement is complete and accurately reflects the assessment of governance within GTCNI.



**Sam Gallaher**

Chief Executive Officer

Date: 28 June 2019

## **REMUNERATION AND STAFF REPORT**

### **Remuneration Report (Audited Information)**

The information on pages 23 to 32 is covered by the audit opinion.

### **Remuneration Policy**

The remuneration of Council staff, with the exception of the Chief Executive Officer, is determined by the National Joint Council for local authorities and other authorities of equivalent status. The National Joint Council's principal role is to reach agreement, based on shared values, on a national scheme of pay and conditions for local application throughout the UK.

The National Joint Council's guiding principles are to support and encourage;

- high quality services delivered by a well-trained, motivated workforce with security of employment. To this end employers are encouraged to provide training and development opportunities for employees;
- equal opportunities in employment. To this end equality is a core principle which underpins both service delivery and employment relations; and
- stable industrial relations and negotiation and consultation between employers and recognised trade unions.

The remuneration of the Chief Executive Officer, as approved by the Department of Education and Department of Finance, was set initially in pay range equivalent to L25 to L33 on the NI Leadership scale for teachers. Annual reviews (which include revalorisation) are restricted within public sector pay limits. The Chief Executive Officer does not receive performance related pay, bonus payments or any other allowances applicable to the leadership scale.

### **Terms and Conditions of Service**

Staff appointments are made on merit, in accordance with the Council's Appointments and Promotions Procedure, on the basis of fair and open competition. Staff terms and conditions of employment including salary progression, payment of allowances, leave entitlement and notice periods as outlined in the National Joint Council's Green Book on Pay and Conditions of Service.

### **Member Emoluments**

No remuneration was paid to members of the General Teaching Council during the year.

### **Chairman's Emoluments**

The Chairman, Mr David Canning OBE, received an allowance of £5,918 during the year.

## SENIOR MANAGEMENT REMUNERATION (Audited Information)

Officials	2017-18					2016-17				
	Salary £'000	Bonus Payments £'000	Benefits in Kind (to nearest £100)	Pension Benefits (to nearest £'000)	Total £'000	Salary £'000	Bonus Payments £'000	Benefits in Kind (to nearest £100)	Pension Benefits (to nearest £'000)	Total £'000
A.Dickson Interim Chief Officer ***	70-75	-	-	19	90-95	25-30 (70-75 full year equivalent)	-	-	9	35-40 (80-85 full year equivalent)
C.Gallagher Registrar	-	-	-	-	-	35-40 (65-70 full year equivalent)	-	100	36	70-80 (100-110 full year equivalent)
G.Devlin Senior Education Officer, Acting Head of Registration & Regulation	50-55	-	100	5	55-60	50-55	-	100	6	55-60
Head of Planning & Corporate Services	50-55	-	100	17	70-75	50-55	-	100	23	75-80
M Matthews Finance & Contracts Manager	45-50	-	100	14	60-65	-	-	-	-	-
J.Cohen Further Education Officer	-	-	-	-	-	30-35 (45-50 full year equivalent)	-	100	8	30-35 (45-50 full year equivalent)
Band of Highest Paid Director's Total Remuneration	70-75					70-75				
Median Total Remuneration	30,785					26,556				
Ratio	2.36					2.73				

*	The value of pension benefits accrued during the year is calculated as (the real increase in pension multiplied by 20) plus (the real increase in any lump sum) less (the contributions made by the individual). The real increases exclude increases due to inflation or any increase or decreases due to a transfer of pension rights. This figure has been calculated and provided by NILGOSC.
**	2.10% growth in pension benefits in 2017-18. The inflation adjustment in 2017 and 2018 was 2% and 2.10% respectively.
***	The Interim Chief Officer is seconded from the Department of Education effective from 21 November 2016. She is a member of the Northern Ireland Civil Service Pension Scheme. Her secondment terminated 1 July 2018. Her costs are billed by the Department and are subject to VAT.

## **Salary**

'Salary' includes gross salary, performance pay, bonuses and any allowances, all of which are subject to UK taxation. This report is based on payments made by the Council and thus recorded in these accounts.

## **Benefits in Kind**

The monetary value of benefits in kind covers any benefits provided by the employer and treated by HMRC as a taxable emolument.

## **Bonuses**

There were no performance related payments paid or due in respect of 2017-18 (2016-17: nil).

## **Fair Pay Disclosure (Audited Information)**

The Council is required to disclose the relationship between the remuneration of the highest paid employee and the median remuneration of the organisation's workforce. The banded remuneration of the highest paid employee in 2017-18 was £70k-£75k (2016-17: £70k-75k). This was 2.36 (2016-17: 2.73) times the median remuneration of the workforce, which was £30,785 (2016-17: £26,556).

The total remuneration includes salary, non-consolidated performance related pay and benefits in kind. It does not include employer pension contributions or the cash equivalent transfer value of pensions.

**Pensions of Senior Management (Audited Information):**

<b>Officials</b>	<b>Accrued Pension at age 60 as at 31/03/2018 and related lump sum £'000</b>	<b>Real increase in pension &amp; lump sum at pension age £'000</b>	<b>CETV at 31/03/2018 £'000</b>	<b>CETV at 31/03/2017 £'000</b>	<b>Real Increase in CETV £'000</b>
A.Dickson Interim Chief Officer*	15-20 plus a lump sum of 35-40	0 - 2.5 plus a lump sum of (0) – (2.5)	242	220	5
G.Devlin Senior Education Officer, Acting Head of Registration & Regulation	25-30 plus a lump sum of 60-65	0 - 2.5 plus a lump sum of (0) - (2.5)	618	604	-9
Head of Planning & Corporate Services	0-5 plus a lump sum of NIL	0 - 2.5 plus a lump sum of NIL	39	26	8
M.Matthews Finance & Contracts Manger	0-5 plus a lump sum of NIL	0-2.5 plus a lump sum of NIL	38	24	9

- \* Anne Dickson is a member of the NICS pension scheme.  
Other senior management are members of the NILGOSC pension scheme.

## **Northern Ireland Civil Service (NICS) Pension Arrangements**

Pension benefits are provided through the Northern Ireland Civil Service pension schemes which are administered by Civil Service Pensions (CSP).

The alpha pension scheme was introduced for new entrants from 1 April 2015. The alpha scheme and all previous scheme arrangements are unfunded with the cost of benefits met by monies voted each year. The majority of existing members of the classic, premium, classic plus and nuvos pension arrangements also moved to alpha from that date. Members who on 1 April 2012 were within 10 years of their normal pension age did not move to alpha and those who were within 13.5 years and 10 years of their normal pension age were given a choice between moving to alpha on 1 April 2015 or at a later date determined by their age. Alpha is a 'Career Average Revalued Earnings' (CARE) arrangement in which members accrue pension benefits at a percentage rate of annual pensionable earnings throughout the period of scheme membership. The rate is 2.32%.

New entrants joining can choose between membership of alpha or joining a good quality 'money purchase' stakeholder arrangement with a significant employer contribution (partnership pension account).

New entrants joining on or after 30 July 2007 were eligible for membership of the nuvos arrangement or they could have opted for a partnership pension account. Nuvos is also a CARE arrangement in which members accrue pension benefits at a percentage rate of annual pensionable earnings throughout the period of scheme membership. The current rate is 2.3%.

Staff in post prior to 30 July 2007 may be in one of three statutory based 'final salary' defined benefit arrangements (classic, premium and classic plus). From April 2011, pensions payable under classic, premium, and classic plus are reviewed annually in line with changes in the cost of living. New entrants joining on or after 1 October 2002 and before 30 July 2007 could choose between membership of premium or joining the partnership pension account.

All pension benefits are reviewed annually in line with changes in the cost of living. Any applicable increases are applied from April and are determined by the Consumer Prices Index (CPI) figure for the preceding September. The CPI in September 2017 was 3% and HM Treasury has announced that public service pensions will be increased accordingly from April 2018.

Employee contribution rates for all members for the period covering 1 April 2018 – 31 March 2019 are as follows:



## Scheme Year 1 April 2018 to 31 March 2019

Annualised Rate of Pensionable Earnings (Salary Bands)		Contribution rates Classic members or members who have moved to alpha	Contribution rates All Other members
From	To	From 01 April 2018 to 31 March 2019	From 01 April 2018 to 31 March 2019
£0	£15,000.99	4.60%	4.60%
£15,001.00	£21,636.99	4.60%	4.60%
£21,637.00	£51,515.99	5.45%	5.45%
£51,516.00	£150,000.99	7.35%	7.35%
£150,001.00 and above		8.05%	8.05%

Benefits in classic accrue at the rate of 1/80th of pensionable salary for each year of service. In addition, a lump sum equivalent to three years' pension is payable on retirement. For premium, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike classic, there is no automatic lump sum (but members may give up (commute) some of their pension to provide a lump sum). Classic plus is essentially a variation of premium, but with benefits in respect of service before 1 October 2002 calculated broadly as per classic.

The partnership pension account is a stakeholder pension arrangement. The employer makes a basic contribution of between 8% and 14.75% (depending on the age of the member) into a stakeholder pension product chosen by the employee. The employee does not have to contribute but where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.5% of pensionable salary to cover the cost of centrally-provided risk benefit cover (death in service and ill health retirement).

The accrued pension quoted is the pension the member is entitled to receive when they reach their scheme pension age, or immediately on ceasing to be an active member of the scheme if they are at or over pension age. Scheme Pension age is 60 for members of classic, premium, and classic plus and 65 for members of nuvos. The normal scheme pension age in alpha is linked to the member's State Pension Age but cannot be before age 65. Further details about the NICS pension schemes can be found at the website [www.finance-ni.gov.uk/topics/working-northern-ireland-civil-service/civil-service-pensions-ni](http://www.finance-ni.gov.uk/topics/working-northern-ireland-civil-service/civil-service-pensions-ni).

### Cash Equivalent Transfer Values

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies. The CETV figures, and from 2003-04 the other pension details, include the value of any pension benefit in another scheme or arrangement which the

individual has transferred to the NICS pension arrangements. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2015 and do not take account of any actual or potential benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

### **Real increase in CETV**

This reflects the increase in CETV effectively funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period. However, the real increase calculation uses common actuarial factors at the start and end of the period so that it disregards the effect of any changes in factors and focuses only on the increase that is funded by the employer.

### **Northern Ireland Local Government Officers' Superannuation Committee Scheme (NILGOSC).**

The Council participates in the Northern Ireland Local Government Pension Scheme (LGPS (NI)) administered by the Northern Ireland Local Government Officers' Superannuation Committee (NILGOSC). The LGPS (NI) is a multi-employer defined benefit scheme. The assets allocated to the employer in the Fund are notional and are assumed to be invested in line with the investments of the Fund for the purpose of calculating the return to be applied to those notional assets over the accounting period. The LGPS (NI) is a funded defined benefit scheme with benefits earned up to 31 March 2015 being linked to final salary. Benefits from 1 April 2015 are based on a Career Average Revalued Earnings scheme. The Scheme is funded by contributions made by both employees and employers who have been admitted to the Scheme. Employee contribution rates depend on their pensionable remuneration and are set between 5.5% and 10.5% for 2017-18. The employer's contribution rate to the NILGOSC scheme is 18%.

### **Compensation for loss of office (Audited Information)**

There were no compensation payments during the year.

## Staff Report

### Total Staff Costs (Audited Information):

	2017-18	2017-18	2017-18	2016-17
	Permanently employed staff	Others	Total	Total
	£	£	£	£
Salaries & Wages	411,227	191,176	602,403	634,225
Social Security Costs	41,649	19,324	60,973	58,525
Pension Costs	135,340	38,882	174,222	132,370
<b>Total</b>	<b>588,216</b>	<b>249,382</b>	<b>837,598</b>	<b>825,120</b>

### Average Number of Persons Employed (Audited Information):

The average number of whole-time equivalent persons (including senior management) employed during the year was as follows;

	2017-18	2017-18	2017-18	2016-17
	Permanently employed staff	Others	Total	Total
	No	No	No	No
Directly employed	13	4	17	17
Other	0	2	2	1
<b>Total</b>	<b>13</b>	<b>6</b>	<b>19</b>	<b>18</b>

### Staff Composition (Audited Information):

The composition of staff is as follows;

	2017-18	2016-17
Male	3	3
Female	16	15
<b>Total</b>	<b>19</b>	<b>18</b>

**Staff Absence**

Council sickness levels, excluding long term sickness, averaged 5.36 days in 2017-18 (10.93 days in 2016-17). Sickness levels, including long term sickness, averaged 9.66 days in 2017-18 (16.7 days in 2016-17). The management of absenteeism is an integral part of a line manager's remit.

**Expenditure on Consultancy (Audited Information)**

GTCNI incurred expenditure on consultancy of £3,300 in 2017-18 (2016-17: Nil).

**Off Payroll Engagements (Audited Information)**

GTCNI had no off payroll engagements in 2017-18.

**Exit Packages (Audited Information)**

There were no exit packages during the year.

## **ASSEMBLY ACCOUNTABILITY AND AUDIT REPORT (Audited Information)**

### **Losses and Special Payments**

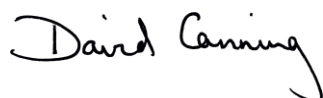
There were no losses or special payments over £250,000 in 2017-18.

### **Fees and Charges**

There were no fees or charges in 2017-18.

### **Remote Contingent Liabilities**

In addition to contingent liabilities reported within the meaning of IAS 37, the Council also reports liabilities for which the likelihood of a transfer of economic benefit in settlement is too remote to meet the definition of contingent liability. GTCNI has no such liabilities.



### **David Canning OBE**

GTCNI Chairperson

Date: 28 June 2019



### **Sam Gallaher**

Chief Executive Officer

Date: 28 June 2019

## **GENERAL TEACHING COUNCIL FOR NORTHERN IRELAND**

### **THE CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE NORTHERN IRELAND ASSEMBLY**

#### **Opinion on financial statements**

I certify that I have audited the financial statements of the General Teaching Council for Northern Ireland for the year ended 31 March 2018 under the Education (Northern Ireland) Order 1998. The financial statements comprise: the Statements of Comprehensive Net Expenditure, Financial Position, Cash Flows, Changes in Taxpayers' Equity; and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Accountability Report that is described in that report as having been audited.

In my opinion the financial statements:

- give a true and fair view of the state of the General Teaching Council for Northern Ireland's affairs as at 31 March 2018 and of the net expenditure for the year then ended; and
- have been properly prepared in accordance with the Education (Northern Ireland) Order 1998 and Department of Education directions issued thereunder.

#### **Opinion on regularity**

In my opinion, in all material respects the expenditure and income recorded in the financial statements have been applied to the purposes intended by the Assembly and the financial transactions recorded in the financial statements conform to the authorities which govern them.

#### **Basis of opinions**

I conducted my audit in accordance with International Standards on Auditing (UK) (ISAs) and Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom'. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of this certificate. My staff and I are independent of the General Teaching Council for Northern Ireland in accordance with the ethical requirements of the Financial Reporting Council's Revised Ethical Standard 2016, and have fulfilled our other ethical responsibilities in accordance with these requirements. I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my opinions.

#### **Other Information**

The General Teaching Council for Northern Ireland and the Accounting Officer are responsible for the other information included in the annual report. The other information comprises the information included in the annual report other than the financial statements, the parts of the Accountability Report described in the report as having been audited, and my audit certificate and report. My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

### **Opinion on other matters**

In my opinion:

- the parts of the Accountability Report to be audited have been properly prepared in accordance with Department of Education directions made under the Education (Northern Ireland) Order 1998; and
- the information given in the Performance Report and Accountability Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

### **Responsibilities of the General Teaching Council for Northern Ireland and Accounting Officer/Chief Executive Officer for the financial statements**

As explained more fully in the Statement of the General Teaching Council for Northern Ireland's and Accounting Officer's/Chief Executive Officer's Responsibilities, the General Teaching Council for Northern Ireland and the Accounting Officer/Chief Executive Officer are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

### **Auditor's responsibilities for the audit of the financial statements**

My responsibility is to audit, certify and report on the financial statements in accordance with the Education (Northern Ireland) Order 1998.

I am required to obtain evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of my responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of my certificate.

In addition, I am required to obtain evidence sufficient to give reasonable assurance that the expenditure and income recorded in the financial statements have been applied to the purposes intended by the Assembly and the financial transactions recorded in the financial statements conform to the authorities which govern them.

### **Matters on which I report by exception**

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept; or
- the financial statements and the parts of the Accountability Report to be audited are not in agreement with the accounting records; or
- I have not received all of the information and explanations I require for my audit; or
- the Governance Statement does not reflect compliance with the Department of Finance's guidance.

### **Report**

I have no observations to make on these financial statements.



**KJ Donnelly**  
**Comptroller and Auditor General**  
**Northern Ireland Audit Office**  
**106 University Street**  
**Belfast**  
**BT7 1EU**

**3 July 2019**



## Statement of Comprehensive Net Expenditure for the year ended 31 March 2018

	Notes	2017-18 £	2016-17 £
<b>Income</b>			
Income	4	1,178,214	1,179,032
Other Income	5,6	6,419	42,487
<b>Total operating income</b>		<b>1,184,633</b>	<b>1,221,519</b>
<b>Expenditure</b>			
Staff Costs	3	837,598	825,120
Depreciation	7	3,060	2,174
Other Expenditure	3	395,981	414,173
<b>Total operating expenditure</b>		<b>1,236,639</b>	<b>1,241,467</b>
<b>Net operating expenditure</b>		<b>(52,006)</b>	<b>(19,948)</b>
Net Return on Pension Finance	2	(11,000)	(2,000)
Credit in respect of notional costs	3	11,500	11,500
<b>Net expenditure for the year</b>		<b>(51,506)</b>	<b>(10,448)</b>
<b>Other comprehensive expenditure</b>			
Actuarial gain/(loss) in respect of pension liability		109,000	(347,000)
<b>Comprehensive net income/(expenditure) for the year</b>		<b>57,494</b>	<b>(357,448)</b>

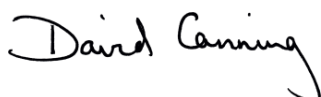
The notes on pages 41 to 56 form part of these financial statements and should be read in conjunction therewith.

## Statement of Financial Position as at 31 March 2018

	Notes	2017-18 £	2016-17 £
<b>Non-current assets:</b>			
Property, plant and equipment	7	-	3,060
Pension asset	2	-	-
<b>Total non-current assets</b>		-	3,060
<b>Current assets</b>			
Trade and other receivables	9	25,841	33,861
Cash and cash equivalents	10	1,876,842	1,872,173
<b>Total current assets</b>		<b>1,902,683</b>	<b>1,906,034</b>
<b>Total assets</b>		<b>1,902,683</b>	<b>1,909,094</b>
<b>Current liabilities</b>			
Trade and other payables	11	(119,988)	(134,893)
Provisions	12	-	(5,000)
<b>Total current liabilities</b>		<b>(119,988)</b>	<b>(139,893)</b>
<b>Total assets less current liabilities</b>		<b>1,782,695</b>	<b>1,769,201</b>
<b>Non-current liabilities</b>			
Pension Liability	2	(433,000)	(477,000)
<b>Total non-current liabilities</b>		<b>(433,000)</b>	<b>(477,000)</b>
<b>Total assets less total liabilities</b>		<b>1,349,695</b>	<b>1,292,201</b>
<b>Taxpayer's equity and other reserves</b>			
General reserve		1,349,695	1,292,201
<b>Total equity</b>		<b>1,349,695</b>	<b>1,292,201</b>

The notes on pages 41 to 56 form part of these financial statements and should be read in conjunction therewith.

The financial statements were approved on 28 June 2019 on behalf of the Council by:



**David Canning OBE**  
GTCNI Chairperson



**Sam Gallaher**  
Chief Executive Officer

## Statement of Cash Flows for the year ended 31 March 2018

	Notes	2017-18 £	2016-17 £
<b>Cash flows from operating activities</b>			
Net Operating Expenditure		(51,506)	(10,448)
Decrease in trade and other receivables		8,020	26,302
(Decrease )/Increase in trade and other payables		(19,905)	26,540
Depreciation charges	7	3,060	2,174
Actuarial gain/(loss) on pension scheme	2	109,000	(347,000)
Pension scheme movement		(44,000)	367,000
<b>Net cash inflow from operating activities</b>		<b>4,669</b>	<b>64,568</b>
<b>Net financing</b>		<b>4,669</b>	<b>64,568</b>
<b>Net increase in cash and cash equivalents in the period</b>	10	<b>4,669</b>	<b>64,568</b>
<b>Cash and cash equivalents at the beginning of the period</b>	10	<b>1,872,173</b>	<b>1,807,605</b>
<b>Cash and cash equivalents at the end of the period</b>	10	<b>1,876,842</b>	<b>1,872,173</b>

The notes on pages 41 to 56 form part of these financial statements and should be read in conjunction therewith.

## Statement of Changes in Taxpayers Equity for the year ended 31 March 2018

	NET EXPENDITURE RESERVES £	TOTAL RESERVES £
<b>Balance at 31 March 2016</b>	<b>1,649,649</b>	<b>1,649,649</b>
<b>Changes in Taxpayers Equity 2016-17</b>		
Actuarial (loss) on the pension scheme	(347,000)	(347,000)
Comprehensive Net Expenditure for 2016-17	(10,448)	(10,448)
<b>Balance at 31 March 2017</b>	<b>1,292,201</b>	<b>1,292,201</b>
<b>Changes in Taxpayers Equity 2017-18</b>		
Actuarial gain on the pension scheme	109,000	109,000
Comprehensive Net Expenditure for 2017-18	(51,506)	(51,506)
<b>Balance at 31 March 2018</b>	<b>1,349,695</b>	<b>1,349,695</b>

The notes on pages 41 to 56 form part of these financial statements and should be read in conjunction therewith.

## **NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018**

### **1. Statement of accounting policies**

These financial statements have been prepared in accordance with the Government Financial Reporting Manual (FReM) issued by the Department of Finance (DoF). The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context.

Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of the General Teaching Council for Northern Ireland for the purpose of giving a true and fair view has been selected. The particular policies adopted by the Council are described below. They have been applied consistently in dealing with items that are considered material to the accounts.

Management have reviewed new accounting standards that have been issued but are not yet effective. Management considers that these are unlikely to have a significant impact on the accounts in the period of initial application.

#### **1.1 Accounting Convention**

The financial statements have been prepared under the historical cost convention. These accounts have been prepared in pounds sterling and are rounded to the nearest pound.

#### **1.2 Registration Fee Income**

The annual registration year runs from 1<sup>st</sup> April to the following 31<sup>st</sup> March, with the fee becoming due on 1<sup>st</sup> April every year. The fee is required to be paid in full regardless of the date on which a teacher actually registers with the Council. There is no reduction for part year registration.

#### **1.3 Pensions**

The following disclosures relate to the funded liabilities within the Northern Ireland Local Government Officers' Pension Fund (the "Fund") which is part of the Local Government Pension Scheme (Northern Ireland) (the "LGPS").

The LGPS is a funded defined benefit plan with benefits earned up to 31 March 2015 being linked to final salary. Benefits after 31 March 2015 are based on a Career Average Revalued Earnings scheme. Details of the benefits earned over the period covered by this disclosure are set out in the 'LGPS (Benefits, Membership and Contributions) Regulations (Northern Ireland) 2009' (as amended).

The funded nature of the LGPS requires participating employers and its employees to pay contributions into the Fund, calculated at a level intended to balance the pension liabilities with investment assets. Information on the framework for calculating contributions to be paid is set out in LGPS (Administration Regulations (Northern Ireland) 2009 (as amended) and the Fund's Funding Strategy Statement. An Actuarial Valuation was carried out in 31 March 2017 and the contributions to be paid until 31 March 2018 resulting from that valuation are set out in the Fund's rates and Adjustment Certificate and The Funding

Administering Authority may invest a small proportion of the Fund's investments in the assets of some of the employers participating in the Fund if it forms part of their balanced investment strategy.

The assets allocated to the employer in the Fund are notional and are assumed to be invested in line with the investments of the Fund for the purposes of calculating the return to be applied to those notional assets over the accounting period. The Fund is large and holds a significant proportion of its assets in liquid investments. As a consequence there will be no significant restriction on realising assets if a large payment is required to be paid from the Fund in relation to an employer's liabilities. The assets are invested in a diversified spread of investments and the approximate split of the assets for the Fund as a whole (based on data supplied by the administering authority) is shown in the disclosures.

#### **1.4 Property, plant and equipment**

Property, plant and equipment is defined as any single piece of equipment costing more than £1,000 (inclusive of VAT) that has an estimated economic / operational life of more than one year. Where it is more usual to treat individual components as a group, these are treated as assets so long as their collective value exceeds the capitalisation threshold. Property, plant and equipment have been valued at historic cost at the year-end as, in the opinion of the Council, any revaluation adjustments are not material.

#### **1.5 Depreciation**

Non-current assets are depreciated on a straight line basis in order to write off the cost less estimated residual value of each asset over its expected useful life at the following rates:

Office Equipment	20% per annum
Furniture and Fittings	20% per annum
Computer Equipment	33.33% per annum

#### **1.6 Inventory**

The Council holds an inventory of publications. These have no net realisable value and as a result all related expenditure during the year is charged to the Net Expenditure Reserve.

#### **1.7 Leasing**

Rentals payable on leases of property under operating leases are charged to the net expenditure reserve on the basis of costs incurred in the year. Operating lease rentals of equipment are charged to the Net Expenditure Reserve in equal amounts over the term of the lease.

#### **1.8 Provisions**

The Council recognises a provision if it is probable that an outflow of cash or other economic resources will be required to settle the obligation.

## **1.9 Value added tax**

The Council is not registered for VAT. All expenditure and capital purchases in the accounts is stated inclusive of VAT.

## **1.10 Corporation Tax**

Schedule 6, Part 1, Paragraph 1(1) of the Finance Act 2010 (FA 2010) sets out the definition of a “charity for taxation purposes”.

In March 2019 HM Revenue & Customs advised that GTCNI no longer meets the registration condition laid out in the FA 2010 and has removed charitable status recognition with effect from 23 November 2017.

HM Revenue & Customs has determined that income in respect of registration fees may be regarded as non-trading and thus exempt from Corporate Tax. However, Corporate Tax is chargeable on income from all other sources from 23 November 2017.

## **1.11 Staff costs**

In accordance with IAS 19: Employee Benefits, staff costs (including leave and flexi time accrued) are recorded as an expense as soon as the organisation is obligated to pay them.

## **1.12 Accounting estimates**

No material accounting estimates or judgements were made by the Council in preparing these accounts. In accordance with IAS 8, the Council has reviewed the standards, interpretations and amendments to published standards that became effective during 2017-18 and which are relevant to its operations.

## **1.13 Financial instruments**

Financial assets and financial liabilities are recognised on the Council’s statement of financial position when the Council becomes party to the contractual provisions of the instruments on a trade basis. In particular;

- Cash and cash equivalents: Cash and cash equivalents comprise cash at bank and in hand.
- Trade and other receivables: Trade receivables do not carry any interest and are recognised at the lower of their original invoiced value and recoverable amount. Provision is made when there is objective evidence that the asset is impaired. Balances are written off when the probability of recovery is assessed as being remote.
- Trade and other payables: Trade payables are not interest bearing and are stated at their nominal value.

## **1.14 Operating segments**

The chief operating decision maker considers the Council as one operating unit in making decisions. Management information is generated on a holistic basis for the whole organisation.

## **2. Pensions and Similar Obligations**

### **2.1 Pension and Similar Obligations**

As explained in the accounting policies, the Council participates in the Northern Ireland Local Government Officers' Superannuation Committee Scheme (NILGOSC). NILGOSC is a multi-employer defined benefit scheme in which it is possible for an employer to identify its share of the assets and liabilities on a consistent basis. The NILGOSC scheme is a funded defined benefit plan with benefits earned up to 31 March 2015 being linked to final salary. Benefits after 31 March 2015 are based on a Career Average Revalued Earnings scheme.

Medical retirement is possible in the event of serious ill-health. In this case pensions are brought into payment immediately without actuarial reduction and with service enhanced as for widow(er) pensions.

The Scheme is funded by contributions made by both employees and employers who have been admitted to the Scheme. Employee contribution rates depend on their pensionable remuneration and are set between 5.5% and 10.5% for 2017-18. The employer's contribution rate to the NILGOSC scheme is 18%.

Salaries include gross salaries and performance pay. In accordance with IAS19, the Council accounts for employer pension contributions as a defined benefit scheme. Under IAS19 the Council is required to account for its share of the assets and liabilities in the scheme.

The Council has included a pension charge to the Statement of Comprehensive Net Expenditure (SoCNE) for 2017-18 totalling £163,222.

The latest formal valuation of the fund for the purpose of setting employer's actual contributions was at 31st March 2016 with the next formal valuation due at 31st March 2019. A valuation was carried out by a qualified independent actuary for the purposes of meeting the requirements of IAS19 for these accounts.



**The major assumptions used by the actuary were:**

	<b>31 March 2018 % p.a.</b>	<b>31 March 2017 %p.a.</b>	<b>31 March 2016 % p.a.</b>
Rate of increase in salaries	3.60%	3.50%	3.30%*
Rate of increase in pensions	2.10%	2.00%	1.80%
Discount rate	2.60%	2.50%	3.40%
Pension accounts revaluation rate	2.10%	2.00%	1.80%

\*Salary increases were assumed to be 1% p.a. until 31 March 2016, reverting to the long term assumption shown thereafter.

**The Council's share of the assets of the Scheme was:**

	<b>Assets at 31 March 2018 £'000</b>	<b>Assets at 31 March 2017 £'000</b>
Equities	3,535	3,455
Property	495	487
Corporate Bonds	357	283
Government Bonds	258	250
Cash	223	121
Other	84	42
<b>Fair Value of Assets</b>	<b>4,952</b>	<b>4,638</b>

<b>Statement of Financial Position</b>	<b>2018 £'000</b>	<b>2017 £'000</b>
Fair value of assets	4,952	4,638
Present Value of funded defined benefit obligation	(5,385)	(5,115)
<b>Pension (liability) recognised in the Statement of Financial Position</b>	<b>(433)</b>	<b>(477)</b>

### Changes to the Present Value of Defined Benefit:

Obligation during the Accounting Period	2018 £'000	2017 £'000
Opening defined benefit obligation	5,115	3,725
Current Service Cost	152	123
Interest expense of defined benefit obligation	128	126
Contributions by participants	34	38
Actuarial (gains)/losses due to changes in financial assumptions	(4)	825
Actuarial losses due to demographic assumptions	-	22
Actuarial losses due to liability experience	23	318
Net benefits paid out	(63)	(62)
<b>Closing Defined Benefit Obligation</b>	<b>5,385</b>	<b>5,115</b>

Changes to the fair value of assets during the accounting period	2018 £'000	2017 £'000
Opening Fair Value of Assets	4,638	3,615
Interest income on assets	117	124
Re-measurement gains on assets	128	818
Contributions by the employer	98	105
Contributions by participants	34	38
Net benefits paid out of the fund	(63)	(62)
<b>Closing Fair Value of Employers Assets</b>	<b>4,952</b>	<b>4,638</b>

### Charges to the Statement of Comprehensive Net Expenditure (SoCNE):

	2017-18 £'000	2016-17 £'000
<b>Amounts included in Staff Costs</b>		
Operating Charge: Current service Cost	152	123
<b>Amounts charged to Pension Financing charge</b>		
Other Finance Costs: Interest on net defined liability	11	2
<b>Pension expense recognised in SoCNE</b>	<b>163</b>	<b>125</b>

### Amounts recognised in Other Comprehensive Expenditure (OCE):

	2017-18 £'000	2016-17 £'000
Return on plan assets (in excess of) net interest	(128)	(818)
Actuarial (gains)/losses due to changes in financial assumptions	(4)	825
Actuarial losses due to demographic assumptions	-	22
Actuarial losses due to liability experience	23	318
<b>Total (gains)/losses recognised in OCE</b>	<b>(109)</b>	<b>347</b>

## Amounts for the current and previous accounting periods:

	2017-18 £'000	2016-17 £'000	2015-16 £'000
Fair value of employer assets	4,952	4,638	3,615
Present value of funded defined benefit obligation	5,385	5,115	3,725
(Liability) recognised on the Statement of Financial Position	(433)	(477)	(110)
Experience gains on assets	128	818	13
Experience losses/(gains) on liabilities	23	318	(36)
Actuarial (gains)/losses on assets	(128)	(818)	13
Actuarial losses/(gains) on liabilities	19	1,165	(180)
<b>Actuarial (gains)/losses recognised in OCE</b>	<b>(109)</b>	<b>347</b>	<b>(167)</b>

### Sensitivity Analysis

IAS19 valuation results depend critically on the principal assumptions used in the calculations. Each factor is considered in isolation i.e. the “impact on liability” assumes all other factors are constant.

**Asset Volatility:** The liabilities used for accounting purposes are calculated using a discount rate with reference to corporate yield bonds. If assets underperform, the yield will create a deficit in the accounts. The Fund holds a significant proportion of growth assets which while expected to outperform corporate bonds in the long term creates volatility and risk in the short term in relation to the accounting figures.

**Changes in Bond Yield:** A decrease in corporate bond yields will increase the value placed on the liabilities for accounting purposes although this will be marginally offset by the increase in the assets as a result.

**Inflation Risk:** Most pension liabilities are linked to either pay or price inflation. Higher inflation expectations will lead to higher liability value. The assets are either unaffected or loosely correlated with inflation meaning that an increase in inflation will increase the deficit.

Life Expectancy: The majority of the Fund’s obligations are to provide benefits for the life of the members following retirement, so increases in life expectancy will result in an increase in liabilities.

Exiting employers: Employers who leave the Fund (or their guarantor) may have to make an exit payment to meet any shortfall in assets against their pension liabilities. If the employer (or guarantor) is not able to meet this exit payment the liability may in certain circumstances fall on other employers in the Fund. Further the assets on exit in respect of “orphan liabilities” may in retrospect, not be sufficient to meet the liabilities. This risk may fall on other employers. “Orphan liabilities” are currently a small proportion of the overall liabilities of the Fund.

The sensitivity of the principal assumptions used to measure the liabilities as at 31 March 2018 are set out below:

### Discount rate assumption

Adjustment to discount rate	+0.1% p.a.	-0.1% p.a.
Present value of total obligation (£M)	5.290	5.482
% change in present value of total obligation	-1.80%	1.80%
Projected service cost (£M)	0.153	0.161
Approximate % change in projected service cost	-2.70%	2.80%

### Rate of general increase in salaries

Adjustment to salary increase rate	+0.1% p.a.	-0.1% p.a.
Present value of total obligation (£M)	5.410	5.360
% change in present value of total obligation	0.50%	-0.50%
Projected service cost (£M)	0.157	0.157
Approximate % change in projected service cost	0.00%	0.00%

### Rate of increase to pensions in payment and deferred pensions assumption, and rate of reval pension accounts

Adjustment to pensions increase rate	+0.1% p.a.	-0.1% p.a.
Present value of total obligation (£m)	5.456	5.314
% change in present value of total obligation	1.30%	-1.30%
Projected service cost (£m)	0.161	0.153
Approximate % change in projected service cost	2.80%	-2.70%

### Post retirement mortality assumption

Adjustment to mortality age rating assumption*	-1 year	+1 year
Present value of total obligation (£m)	5.544	5.226
% change in present value of total obligation	3.00%	-2.90%
Projected service cost (£m)	0.163	0.151
Approximate % change in projected service cost	3.60%	-3.60%

\*A rating of +1 year means that members are assumed to follow the mortality pattern of the base table for an individual that is 1 year older than them.

### Comment on Mortality assumptions:

The mortality assumptions are based on the recent actual mortality experience within the Fund and allow for expected future mortality improvements. Sample life expectancies resulting from these mortality assumptions are shown below.

	Males	Females
Current pensioners	23.3 years	25.9 years
Future pensioners	25.5 years	28.2 years

### 3. Expenditure

	2017-18 £	2016-17 £
<b>Staff Costs:</b>		
Wages and Salaries	602,403	634,225
Social Security costs	60,973	58,525
Pension costs	174,222	132,370
	837,598	825,120
<b>Other Operating Costs:</b>		
Rent and rates	67,338	63,228
Service charge and utilities	52,065	51,405
Professional & Consultancy costs	41,991	42,889
Legal fees	31,304	56,588
Computer costs	31,027	33,304
Database support and maintenance	20,827	37,683
Stakeholder engagement	17,575	4,495
Maintenance services	17,052	9,783
Printing and stationery	13,660	14,714
Substitution costs	13,275	16,170
Recruitment costs	11,701	-
Travel and subsistence - Council	10,850	10,773
Hospitality and venue hire	9,516	8,811
Database Licences	6,840	-
Insurances	6,405	5,892
Advertising	6,291	-
Training and development	5,884	6,651
Postage	5,054	9,862
Miscellaneous expenses	4,887	8,992
Fee collection charges	3,746	3,692
Travel and subsistence – Staff	3,430	3,233
Database enhancements	-	6,556
Books & newspapers	465	873
Subscriptions	3,298	2,079
	384,481	397,673
<b>Non-Cash Items</b>		
Notional audit fee	11,500	11,500
Provision for legal case	-	5,000
	11,500	16,500
<b>Total Expenditure</b>	<b>1,233,579</b>	<b>1,239,293</b>

#### 4. Income from Activities

	2017-18 £	2016-17 £
Registration Fees	1,178,214	1,179,032

#### 5. Other Income

	2017-18 £	2016-17 £
Department of Employment & Learning	-	31,315
Miscellaneous	175	887
<b>Total Other Income</b>	<b>175</b>	<b>32,202</b>

#### 6. Interest Receivable

	2017-18 £	2016-17 £
Bank interest receivable	6,244	10,285



## 7. Property, plant and equipment

CURRENT YEAR	Office Equipment £	Computer Equipment £	Furniture & Fittings £	Total £
<b><u>Cost or Valuation</u></b>				
As at 1 April 2017	72,494	53,315	50,217	176,026
Additions	-	-	-	-
Disposals	-	-	-	-
<b>As at 31 March 2018</b>	<b>72,494</b>	<b>53,315</b>	<b>50,217</b>	<b>176,026</b>
<b><u>Depreciation</u></b>				
As at 1 April 2017	72,494	50,255	50,217	172,966
Charge for period	-	3,060	-	3,060
Disposals	-	-	-	-
<b>As at 31 March 2018</b>	<b>72,494</b>	<b>53,315</b>	<b>50,217</b>	<b>176,026</b>
<b><u>Net Book Value</u></b>				
As at 31 March 2017	-	3,060	-	3,060
As at 31 March 2018	-	-	-	-
<b><u>Asset Financing</u></b>				
Owned	-	-	-	-
<b>Total as at 31 March 2018</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

The Council holds no third party assets.

PRIOR YEAR	Office Equipment £	Computer Equipment £	Furniture & Fittings £	Total £
<b><u>Cost or Valuation</u></b>				
As at 1 April 2016	72,494	53,315	50,217	176,026
Additions	-	-	-	-
Disposals	-	-	-	-
<b>As at 31 March 2017</b>	<b>72,494</b>	<b>53,315</b>	<b>50,217</b>	<b>176,026</b>
<b><u>Depreciation</u></b>				
As at 1 April 2016	72,494	48,081	50,217	170,792
Charge for period	-	2,174	-	2,174
Disposals	-	-	-	-
<b>As at 31 March 2017</b>	<b>72,494</b>	<b>50,255</b>	<b>50,217</b>	<b>172,966</b>
<b><u>Net Book Value</u></b>				
As at 31 March 2016	-	5,234	-	5,234
As at 31 March 2017	-	3,060	-	3,060
<b><u>Asset Financing</u></b>				
Owned	-	3,060	-	3,060
<b>Total as at 31 March 2017</b>	<b>-</b>	<b>3,060</b>	<b>-</b>	<b>3,060</b>

The Council holds no third party assets.

## 8. Financial instruments

The Council's core functions are funded from fee income from teachers' registration. The Council has no borrowings and mitigates its exposure to liquidity risk by managing its resources. Its cash balances are held in commercial bank accounts, none of which materially expose the Council to interest rate risk. Assets and liabilities are denominated in sterling. The Council is not materially exposed to currency risk.

## 9. Trade receivables and other current assets

	2017-18 £	2016-17 £
<b>Amounts Falling due within one year:</b>		
Prepayments and accrued income	25,841	33,861
<b>Total</b>	<b>25,841</b>	<b>33,861</b>

## 10. Cash and cash equivalents

	2017-18 £	2016-17 £
Balance at 1 April	1,872,173	1,807,605
Net change in cash and cash equivalent balances	4,669	64,568
<b>Balance at 31 March</b>	<b>1,876,842</b>	<b>1,872,173</b>
<b>The following balance at 31 March were held at commercial banks and in cash in hand:</b>	<b>1,876,842</b>	<b>1,872,173</b>

## 11. Trade payables and other current liabilities

	2017-18 £	2016-17 £
<b>Amounts Falling due within one year:</b>		
Trade payables	29,097	63,205
Accruals and deferred income	90,891	71,688
<b>Total</b>	<b>119,988</b>	<b>134,893</b>

## 12. Provision for liabilities and charges

	2017-18 £	2016-17 £
<b>Provision for legal case</b>	<b>-</b>	<b>5,000</b>

### 13. Commitments under leases

Total future minimum lease payments under operating leases are as follows:

Obligations under operating leases comprises:

<b>Buildings:</b>	<b>2017-18</b>	<b>2016-17</b>
	<b>£</b>	<b>£</b>
Not later than one year	65,286	65,286
Later that one year and not later than five years	65,286	130,572
Later than five years	-	-
	<b>130,572</b>	<b>195,858</b>

<b>Equipment:</b>	<b>2017-18</b>	<b>2016-17</b>
	<b>£</b>	<b>£</b>
Not later than one year	434	830
Later that one year and not later than five years	-	-
Later than five years	-	-
	<b>434</b>	<b>830</b>

### 14. Capital Commitments

There were no capital commitments at 31 March 2018 for which contracts had been entered into or authorised by the Council.

### 15. Related party transactions

The Council is a non-departmental public body (NDPB) sponsored by the Department of Education (DE) which is regarded as a related party. The Council also entered into a number of immaterial transactions with schools in Northern Ireland for which DE is regarded as the parent.

In addition, the Council had a number of material transactions with other government departments and central government bodies as follows:

- Central Procurement Directorate (CPD)
- Departmental Solicitors Office (DSO)
- Department of Finance (DoF)
- IT Assist

During the year, none of the Council members, members of the key management staff, or other related parties undertook any material transactions with the Council, other than those disclosed in the Remuneration Report. A register of members' interests is available and can be inspected at the Council's office, Albany House, during normal working hours.

## **16. Events after the reporting period**

In February 2019 HMRC advised GTCNI that charitable recognition for tax purposes has been removed, effective from 23 November 2017. In March 2019 HMRC advised GTCNI that income from registration fees may be regarded as non-trading and thus exempt from a Corporation Tax charge. However, income from other sources is treated as chargeable.

The Chief Executive Officer authorised these financial statements for issue on 3 July 2019.