



**General Teaching Council
for Northern Ireland**

Promoting Teacher Professionalism

**2018-19
Annual Report
and
Accounts**

For the year ended 31 March 2019

Laid 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

13 October 2020

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Contents

Performance Report

Foreword by the Chairperson	1
Overview	2-3
Performance Analysis.....	4-6

Accountability Report

Corporate Governance Report

Report of Council	7-12
Statement of GTCNI & the Accounting Officer's Responsibilities	13
Governance Statement.....	14-24

Remuneration & Staff Report	25-34
----------------------------------------------	--------------

Assembly Accountability & Audit Report	35-38
---------------------------------------------------------	--------------

Financial Statements

Statement of Comprehensive Net Expenditure.....	39
Statement of Financial Position.....	40
Statement of Cash Flows.....	41
Statement of Changes in Taxpayers Equity	42
Notes to the Financial Statements.....	43-59

FOREWORD BY VICE-CHAIRPERSON

During 2018-19 the General Teaching Council continued to promote teacher professionalism. It seeks to achieve this by: advocating the highest standards of professional conduct and practice; ensuring that everyone wishing to teach in Northern Ireland schools is appropriately qualified and registered; promoting career-long professional development as well as 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.

A number of key activities during 2018-19 deserve to be highlighted. As part of an ongoing transition process and restructuring, a new Registrar was appointed in August 2018. We also undertook preparatory work for the appointment and transition to a new Council later in 2019. Further development was made in the Council's statutory duties around the regulation of the teaching profession. The Council progressed the reaccreditation of all PGCE programmes delivered by Northern Ireland's HEI's and this programme of work was successfully completed in the 2018-19 academic year. The Council engaged with education stakeholders on leadership standards as part of supporting the implementation of 'Learning Leaders' the Department of Education's strategy for teacher professional learning.

GTCNI continues to face many challenges. We thank outgoing members of Council for their service and in particular thanks to Mr Clive Bowles (chair of Finance), Mr David Cargo (chair of Audit) and Mr David Canning (chair of Council). May I offer the assurance to the profession that members of Council will continue to be focused on improving our governance and implementing the necessary arrangements to fully realise our aspiration to develop GTCNI's 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.

Paul O'Doherty

Paul O'Doherty

GTCNI Vice- Chairperson 2015 - 2019

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 GTCNI'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 to support the registration of all teachers in grant-aided schools;
2. regulate the teaching profession;
3. the approval of qualifications for the purposes of registration; and
4. the provision of advice to the Department of Education and employing authorities on all matters relating to teaching including the standards of entry to the profession; the training, career development and performance management of teachers; standards of teaching and teachers' conduct.

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 GTCNI'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 required to ensure that effective systems of internal control are in place and adhered to, and that the Council complies with all relevant legislation and codes.

The Governance Statement on page 14 addresses governance and assurance issues relating to the management of expenditure and the discharge of responsibilities during the 2018-19 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 in Central Government Departments; Code of Good Practice 2013, in so far as they relate to GTCNI. In his governance statement the Chief Executive 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 and action is being taken to address them.

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 over the year continued to endeavour to progress towards full professional regulation of the Northern Ireland teaching profession.

The Council has continued to promote the importance of teachers' professional development and will continue to work in partnership 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 (£77,525) for the year (as per page 38)

Corporation Tax

Following the Charity Commission for Northern Ireland's (CCNI) decision to decline charitable status, HMRC confirmed on 18 March 2019 that since GTCNI had not met CCNI's registration conditions, they were removing charitable recognition effective from 23 November 2017. Notwithstanding this, HMRC advised that income in respect of registration fees may be regarded as non-trading. However, corporation tax is chargeable on income from all other sources.

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 2019. 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 were able to deliver on the following corporate goals as set out in the 2018-19 Business Plan;

- The Council appointed a new Chief Executive Officer who took up post on 1 August 2018.
- Throughout 2018-19, the Council engaged and consulted with the profession and education stakeholders on the standards of teaching, learning and leadership as part of supporting the delivery of DE's Learning Leaders;
- The Council completed a process of engagement and published further guidance on the value and application of the Northern Ireland Teacher Competences as published in Teaching: The Reflective Profession.
- As part of the Council's involvement in the Learning Leader's - a strategy for teacher professional development the Council is leading the development of a competence framework for leadership at all levels. The Council continues to work with DE through the Learning Leaders Oversight Group.
- The Council progressed the reaccreditation of all Initial Teacher Education (ITE) programmes delivered by Northern Ireland's HEI's and this programme of work was successfully completed in the 2018-19 academic year.
- The Council completed the teacher registration process for 2018-19, registering 26,066 teachers generating registration fee income of £1,146,904.
- The Council continued to approve qualifications to teach in Northern Ireland, generating £28,328 from this activity.

- The Council engaged legal support from the Departmental Solicitors Office (DSO) in the quality assurance of documentation and processes developed to support regulation.
- The Council awarded a contract for the development of a new website. Work on a new website was undertaken in 2019 with the new site going live in December 2019. This important item of communications infrastructure affords the Council significant added functionality.
- The Council appointed Electoral Reform Services to manage and oversee the election process to appoint elected Council members to a new Council from October 2019. The process of forming a new Council was undertaken in 2018-19 and culminated with a new Council being established from 14th October 2019.
- The Council monitored developments associated with Brexit and the potential impact on teacher registration. The Council continued to develop and embed processes to ensure compliance with the GDPR.
- The Council published its Equality Scheme and Disability Action Plan
- Throughout 2018-19 the Council engaged with its Centre of Procurement Expertise – Central Procurement Directorate (CoPE CPD) to ensure that all procurements were in compliance with public procurement regulations.
- Throughout 2018-19 99% of all non-disputed invoices were paid within 10 working days.
- Throughout 2018-19 100% of all non-disputed invoices are paid within 30 working days.
- The Council continues to deliver value for money for subscribers and manage the Council's budget effectively. In 2018-19 there was a budget underspend of £18,767 (1.66%).)
- The Annual Report and Accounts 2017-18 were finalised with an unqualified audit opinion and copies laid before the Assembly on 5th July 2019.

Other goals that were partially /or not delivered by the Council were;

- The professional regulation of remains hindered by the limitations of the current legislation framework. The Council continues to work with DE in addressing this matter.
- Council made progress in the development of a Corporate Plan setting out its strategic objectives to 2023. This plan will be considered by the new Council. Staffing requirements are being reviewed in light of this plan.
- The Council deferred to 2020-21 a programme of work to review routes and qualifications to be recognised for registered teacher status for grant aided schools in Northern Ireland.
- The Council continued to consider requirements for the replacement of its registration IT system. Given that significant time has elapsed since approval of the original business case a review of the project was undertaken in terms of need and potential options and cost. From this review formal project structures were put in place, work on a Statement of Requirements was initiated, the need for revision of

the business case determined and recruitment of project manager for the project progressed. Necessary attention has also been given to undertaking important repair work to the current system in light of aging software. This latter work is a priority.

- A review of the Funding & Reserves policy has been deferred by the Council and will be addressed in light of the Corporate Plan and underpinning business strategy in 2020.
- The implementation of a review of the Records Retention and Disposal policy continues and will be ongoing in 2020-21.

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 comprising 31 members at present (full complement 33). Twelve members are elected in accordance with paragraph 5 of the Constitution Regulations and the Council's Scheme of Election and nineteen members are appointed by the bodies set out in paragraph of the 7 of the Constitution Regulations. A new Council was elected on 14th October 2019. The new Chair, Mr Brendan Morgan was appointed on 10th December 2019.

Senior Management Team

Mr Sam Gallaher was appointed as Chief Executive Officer/Registrar 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 Sam Gallaher (Chief Executive Officer from 1 August 2018), Mr Gerry Devlin (Senior Education Officer) and Mrs Majella Matthews (Finance & 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. During the year the Council paid 99% 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:

ELECTED MEMBERS		
Representation Provided for	Name of Representative	Representative from
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	

APPOINTED MEMBERS		
Representation Provided for	Name of Representative	Representative from
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	Mr Malachy Crudden Mr 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 Vacant	February 2016 February 2016 February 2016

Complaints Procedure

The Council has a complaints procedure in place. One complaint was received during the year 2018-19 but it was deemed to be out of the scope of the Council's complaints policy and statutory authority. The complaint was an allegation of misconduct of a teacher, received anonymously into the GTCNI in August 2018. It was decided by the Senior Education Officer that this was outside the remit of the Council.

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

There were two data related incidents and these were investigated by the Data Protection Officer. As a consequence of the first incident, SMT put in place restrictions on staff access to the Council's computer filing system. As a follow-up, staff were reminded about the protocols for opening correspondence marked 'private and confidential'.

The second incident was a break-in to the Council's offices in June 2018 and although no personal data was accessed, the incident was reported to the Information Commissioner's Office. This was reported as case number COMO755813 and on 7 January 2019 the ICO determined that no further action was necessary on this occasion. The determination was based on the following:

The GTCNI offices suffered a break-in during the early hours of Wednesday 13 June 2018. However, GTCNI have no evidence that any personal data has actually been disclosed. Actions GTCNI have taken, or propose to take, as a result of the break-in include undertaking a review of the physical security of the offices.

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 limited powers to regulate the teaching profession;
- a transformation programme based on the recommendations of an independent review; and working with DE on the implementation of 'Learning Leaders - A

Strategy for Teacher Professional Learning'. This is a DE strategy spanning 10 years. GTCNI are currently leading on development of leadership competencies.

Reconstitution of Council

As and from 14 October 2019, the Council is reconstituted in accordance with the GTCNI (Constitution) Regulations (Northern Ireland) 2001.

Chairperson

The Chair elected by Council until 14 October 2019 was Mr David Canning OBE. The new Chair, Mr Brendan Morgan was elected on 10th December 2019.

Important Events Occurring after the Year End

In 2018-19 GTCNI continued to develop robust and appropriate regulatory processes consistent with its legal powers, relevant case law and UK best practice and with agreement of DE the Council moved towards implementing a regulatory process in full. The Council secured designated legal resources to lead on the investigation and conduct hearing stages of its process. By way of familiarisation, this team reviewed our Guidelines and associated documentation and the legislative framework within which GTCNI operates. From this review some significant points of concern were raised. GTCNI will be working with DE on a revised timetable leading to full professional regulation.

A number of staffing issues emerged during the early months of 2019-20. These matters have been taken seriously by the Council and are being addressed appropriately in accordance with policy and with advice and support from our HR advisor. An HR action plan has been agreed by Council and is being implemented.

DE received a number of whistleblowing notices pertaining to the Council and these are being addressed by them in accordance with their policy and with the support of Internal Audit.

The Council has also experienced several breaches of confidentiality relating to Council business and these are under investigation. Of particular concern was the level of widely circulated correspondence originating from Council on matters that should be directed firstly through the Chair of Council, the leaking of a confidential HR report to Council (prepared by our independent HR advisers) to parties outside of the organisation. Such breaches are under investigation.

In light of these incidences:

- A review of information management and governance arrangements has been undertaken by DE and work is underway to strengthen this area.
- The governance framework has been reviewed with a view to strengthening it.
- Revised protocols are being put in place for Council members.
- The Chair of Council and Chief Executive are meeting monthly with DE officials to review matters. GTCNI has been placed in Special Measures by DE and while this

continues DE officials will also be in attendance at all Council and Committee meetings.

The Council will continue to take appropriate action in all of these matters. The outcome of investigation by Internal Audit into matters of confidentiality is awaited and will be addressed as recommended.

The Council adopted the Voluntary Exit Scheme (VES) being offered by DE in 2019-20 and open to its ALBs. Expressions of interest have been received from several GTCNI staff and a number of staff applications approved internally. These however remain subject to DE approval.

A handwritten signature in blue ink, appearing to read 'Sam Gallaher', with a long horizontal flourish extending to the right.

Sam Gallaher

Chief Executive Officer
Date: 28 September 2020

STATEMENT OF THE GENERAL TEACHING COUNCIL FOR NORTHERN IRELAND AND THE 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 September 2020

GOVERNANCE STATEMENT

Introduction

This Governance Statement sets out how the Chief Executive Officer and Interim Chief Officer for the General Teaching Council for Northern Ireland, discharge their responsibility to manage and control the resources of the Council, along with the actions taken to maintain an effective system of governance and risk management in support of the Council achieving its aims and objectives during 2018-19.

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, solely funded by the profession via 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). This Management Statement creates a 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 2018-19 the Council had a membership of thirty comprising representatives from the teaching profession and the wider education service in Northern Ireland.

The Chief Executive Officer is responsible to the Council for the effective leadership and operational management of the organisation, its staff, resources and for ensuring good governance. The Chief Executive Officer is also responsible to the Minister of Education, through the Permanent Secretary of the Department of Education for ensuring effective systems of internal control are maintained and continuous improvement plans including progressing the recommendations of the Organisational Review which were agreed by the GTCNI Council in 2017. The present Chief Executive Officer Mr Sam Gallaher took over from Mrs Anne Dickson, Interim Chief Officer on 1st August 2018.

Council and its Committees

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

Throughout 2018-19 Council continued to seek effective governance. It met five times during the year, and each of its four sub-committees met a minimum of four times, subsequently providing written minutes to Council and providing assurance on their respective areas of responsibility. Special meetings of the Policy, Registration and Regulation Committee (PRRC) and Council respectively were held in January to consider approval of the move to full Professional Regulation. A further special meeting of Council took place in June 2019, to discuss important HR related matters.

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 2018 to March 2019

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

* Industrial Action

** Independent Member of the Audit and Risk Assurance Committee

Committee Highlights

In addition to the highlights detailed below, each sub-committee of Council monitored progress of the 2018-19 business plan on a quarterly basis, contributed to the Business Plan for 2019-20, and participated in discussion to shape the organisation's Corporate Plan to 2022.

Policy, Registration and Regulation Committee (PRRC)

In addition to oversight of the annual teacher registration process, the Committee's priorities were the development leadership competency framework in support of the Learning Leaders policy, accreditation of the PGCE programmes delivered by the HEIs in Northern Ireland for Initial Teacher Education (ITE), the continued development of GTCNI's approach to professional regulation of the teaching profession and the election of new Council in 2019.

With regard to professional regulation, following discussion with DE and acting on independent legal assurances the Committee recommended to Council the adoption of revised Conduct Rules for Regulation and the move to full professional regulation. Up to this point GTCNI was processing regulation referrals only to screening stage. The revised rules were approved by the Council in January 2019. The Committee continued to oversee the development of operational processes for dealing with regulatory referrals in light of the significant issues that have since emerged.

The Committee oversees the annual registration of teachers' process and the approval of qualifications to teach 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 encourage (and receive reports on) the engagement of GTCNI staff with the teaching profession and key stakeholders across the education sector in NI. To this end GTCNI engage with all key sector bodies as maintaining a level of direct engagement with teachers.

The Council continues to play an active role in the implementation of 'Learning Leaders – A Strategy for Teacher Professional Learning' through representation on the Oversight Group; the publication of supporting guidance to promote/embed the use of GTCNI Teacher Competences *Teaching: The Reflective Profession*; and proactive involvement in the development of guiding principles for Teacher Professional Learning. All of this work the Council considers important for ensuring and promoting the provision of quality continual professional learning for teachers.

Finance and General Purposes Committee (F&GP)

The Committee continues to exercise its core responsibility for financial planning and budget monitoring. This Committee also monitors the addressing of audit recommendations relevant to its area of responsibility and noted the satisfactory ratings from the audits of Information Management and Financial Systems. It recommended the continued use of the Northern Ireland Civil Service Internal Audit and Fraud Investigation Service (NICS IAFIS) as the Council's internal audit provider for 2019-20.

The Committee ensured that the 2017-18 Annual Report and Accounts were prepared in compliance with the DE Accounts Direction, and the accounts were certified with an unqualified opinion. The Committee welcomed the positive resolution of the Council's taxation status with HMRC in light of the decision of the Charity Commission for Northern Ireland (CCNI) to decline charitable status for GTCNI.

The Committee has been concerned with financial planning in support of the development of the Council's Corporate Plan to 2023, particularly the use of income, revisions to the Reserves Policy for Council's cash balances and how the financial impact arising from the move to full professional regulation can be addressed.

The Committee continues to monitor progress of the Council's two main capital projects; the development of a new website and procuring the replacement for a Registration Support System, (the Council's key IT system). A successful procurement was completed for the website and a new website went live in December 2019.

Progress with the replacement of the current registration system was hampered by difficulty in recruiting a full time project manager, internal resource issues and by attention having to be devoted to addressing significant shortfalls in the current system. The Council was notified of the withdrawing of supplier support for key software elements of the system from January 2020. An interim repair solution was identified and is in procurement. This solution will provide a two year window for the Council to complete its system replacement project. .

Human Resources Committee (HRC)

This Committee continues to oversee and monitor the performance of GTCNI in respect of organisation development and HR matters. Progress continues with the implementation of the transition plan agreed in 2017 and the recommendations from an independent review of management culture and practice. The new Chief Executive Officer took up position in August 2018 and is progressing the implementation of the Recognition and Procedural Agreement and a Facilities Agreement with NIPSA authorised in 2018. Agreement is still to be reached on the composition of a Joint Negotiating Committee with NIPSA representatives.

The Committee has considered initial thinking for revisions to the staffing structure as part of the development of the Council's Corporate Plan to 2023. Proposals have been agreed in principle subject to affordability. In addition, the Committee considered and accepted the recommendations from an internal audit of HR policies. Work on revising current HR policies, the development of a new staff handbook and for a staff performance management scheme is at an advanced stage.

The Committee provides oversight of the Chief Executive Officer's actions on employee relations matters and welcomed progress in addressing key HR concerns. A programme for training in Dignity at Work has been provided to all staff. Long-term absence rates remain higher than expected. The Council is addressing all its HR matters in accordance with its policies and these are being updated where necessary

At the close of 2018-19 a number of HR issues emerged that gave the Committee and Council cause for concern. The Council's independent HR advisers were commissioned to undertake a programme of engagement with staff which culminated in a new HR Action Plan being prepared and adopted by the Council. This is presently being implemented and the HR Committee is charged with oversight of this.

Audit and Risk Assurance Committee (ARAC)

The ARAC continues its vital role of providing assurance to Council and guidance to the Chief Executive Officer on corporate governance, risk management and internal control. During 2018-19 Mr Trevor Salmon continued as the Independent member of this Committee.

The Committee oversees a programme of internal audit. In 2018-19 this included Information Management, Financial Systems, risk Management and Governance, HR policies and review of previous recommendations. A "Limited" opinion was received in respect of Procurement and Contract Management and in addressing the recommendations of previous audits.

The Committee reviewed the Council's Risk Management Framework and regularly monitors the Corporate Risk Register. Particular consideration is being given to the risk of financial sustainability arising from a move to full professional regulation.

In conjunction with the Finance and General Purposes Committee the Committee welcomes the positive resolution of the Council's taxation status with HMRC in light of CCNI declining charitable status for GTCNI. The Committee also provided independent scrutiny of the 2016-17 and 2017-18 Annual Report and Accounts with the latter delayed due to awaiting receipt of notification from HMRC regarding tax status.

The Committee also provided scrutiny in respect of the Council's Business Plan for 2018-19 and Reserves Policy governing the Council's cash balances.

Representatives from internal and external audit organisations attended all meetings of this Committee, as did two representatives of the DE as observers. The continuing involvement of Mr Trevor Salmon as a co-opted independent member of the ARAC is welcomed and appreciated.

Throughout 2018-19 there were no reported instances of Fraud, Bribery and Raising a Concern at Work (Whistleblowing) within GTCNI. In early 2019-20 there was one report of Raising a Concern at Work (Whistleblowing) to the GTCNI ARA Committee. Following a preliminary investigation by GTCNI's internal audit this is was progressed by DE. Correspondence was received by DE relating to GTCNI which it addressed under its Whistleblowing Policy.

Board Effectiveness

Council members operated effectively during 2018-19, meeting regularly and considering appropriate issues. The Council undertook a formal review of its performance and effectiveness through:

- Review and approval of its Governance Framework.

- Review and approval of Terms of Reference by each sub-committee.
- Individual appraisal of DE nominated members of Council by the Chair.
- Council and sub-committees undertaking a review of attendance, composition in terms of skills, training requirements and conduct of meetings.
- Council consideration of emerging themes and issues.

The significant progress the Council had achieved over the past three years to strengthen governance within GTCNI and concern surrounding the difficulties in progressing professional regulation was recognised. Certain recommendations pertaining to the distribution of Council papers and the structure of meetings were made and will be embodied into the induction and operation of the new Council in 2019.

At the close of 2018-19 a number of concerns emerged in the operation of the Council. There were a number of breaches of confidentiality in relation to confidential Council papers being distributed to parties outside of the organisation. Of particular concern was the level of widely circulated correspondence to outside bodies originating from Council on matters that should be directed in the first instance to the Chair of Council. The Chair and CEO has been working with DE to investigate and address the situation. As a result steps are being taken to strengthen procedures and operations.

Council Election

A new Council was elected 14th October 2019, and a new Chair, Mr Brendan Morgan, was elected on 10th December 2019.

Governance and Accountability meetings

The GTCNI attends 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. Meetings took place in May and Oct 2018 with no significant issues arising. The satisfactory progress made by the Council was noted. A further GAR meeting took place in June 2019, where the Department, stressed the importance of finalising the Corporate Plan, reviewing the reserves policy and progressing professional regulation.

Following on from these meetings and the issues of concern in the operation of the Council that emerged since March 2019, DE has placed GTCNI back in Special Measures that includes monthly meetings between the Chair and Chief Executive and senior DE Officials including the Permanent Secretary and DE officials are in attendance at all Council and Committee meetings.

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 seeks to comply 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 internal controls and review;
- 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.

The Council considers that it has confidence in the information and data received during 2018-19.

A pertinent issue that is being addressed relates to the current IT system used by GTCNI to support the administration of teacher registration. This system underpins the register of teachers and provides valuable workforce information. Due to the age of the existing teacher registration database, some elements are no longer supported necessitating an interim "fix" to the system. This solution will provide a two year window for the Council to complete its system replacement project. A business case for an interim fix has been submitted to DE for approval to incur the necessary expenditure and once approved the upgrade will be implemented as a matter of urgency.

Ministerial Directions

During 2018-19 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 General Data Protection Regulations (GDPR) in the handling and storage of personal data.

The Council reviewed its data protection arrangements to ensure its compliance with GDPR. The arrangements were the focus of an internal audit in 2018 and were deemed satisfactory, though the Council's current Data Protection Officer arrangement is temporary and this responsibility will transfer to the Corporate Services function in due course. The Council operated an internal working group to ensure its compliance with GDPR and to embed its Record Retention & Disposal policy.

A full review and overhaul of the Council's approach to Information Management & Governance is required with initial audits, carried out by the CEO and DE. A formal project to undertake this work is presently being scoped and a Project Initiation Document prepared. This important programme of work will be undertaken in 2020/21 when the necessary resources are secured. In the meantime work is underway to strengthen procedures related to FOI requests.

There were two data related incidents and these were investigated by the Data Protection Officer. As a consequence of the first incident, SMT put in place restrictions on staff access

to the Council's computer filing system. As a follow-up, staffs were reminded about the protocols for opening correspondence marked 'private and confidential'.

The second incident was a break-in to the Council's offices in June 2018 and although no personal data was accessed, the incident was reported to the Information Commissioner's Office. This was reported as case number COMO755813 and on 7 January 2019 the ICO determined that no further action was necessary on this occasion. The determination was based on the following: "The GTCNI offices suffered a break-in during the early hours of Wednesday 13 June 2018. However, GTCNI have no evidence that any personal data has actually been disclosed. Actions GTCNI have taken, or propose to take, as a result of the break- in include undertaking a review of the physical security of the offices."

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 Chief Executive Officer (CEO) 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 Risk Register is subject to quarterly review and update as appropriate, and sign-off by officers. The Corporate Risk Register is a standing agenda item for all meetings of the Audit and Risk Assurance Committee. The Corporate Risk register has been updated increasing the number of risks from five to ten. The following ten key corporate level risks and challenges were identified:

1. Ineffective governance and accountability framework for the organisation leads to difficulties in day to day operation, ineffective operation of the Council and failure in the organisation to fulfil its statutory functions.
2. Failure to comply with agreed governance framework, policies and procedures in day to day operations resulting in failure of organisation to deliver on statutory requirements and corporate objectives.
3. Ineffective arrangements for ensuring business continuity due to systems failure, untoward incidents or emergencies.
4. Ineffective Information Management & Governance compromises organisation operations and effectiveness.
5. That the current legal and administrative frameworks do not provide sufficient protection from legal challenge.
6. Risk to organisation effectiveness and financial sustainability arising from flat-lining income, increasing costs and the move to full professional regulation
7. Failure to progress recommendation from review of GTCNI impacts adversely on organisational performance and effectiveness.

8. The risk to business continuity due to aging technology and unsupported elements of the Council's main IT system - teacher registration database.
9. Continuing delay and failure to procure a new Registration, Regulation Support System results in no registration IT system being available to GTCNI with operations significantly impaired.
10. Ongoing HR issues adversely impact the ability to deliver day to day operations.

In relation to Risk 5, the Council through consultation with its legal advisers and the Department of Education agreed a process for professional regulation consistent with the legislative provisions. The GTCNI Conduct Rules relating to professional regulation are subject to ongoing review and amendment 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.

In relation to Risk 9, the F&GP and ARAC committees are to receive project progress reports at each meeting.

In recognition of the importance of effective risk management, GTCNI facilitated the provision of an update workshop on risk management for members of Council in July 2018.

Significant Issues

Professional Regulation

The ability to remove members, whose conduct or behaviour falls below expected standards, is a core feature of all professional bodies. In the case of the teaching profession in Northern Ireland the legislation that established GTCNI and the GTCNI Regulations 2015 provide the legal basis. 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.

GTCNI will be working with DE on a revised timetable leading to full professional regulation. GTCNI is processing referrals as far as is possible in the present circumstances.

Council recognises the significant importance of this work for both the profession and public and is taking all reasonable steps to ensure that its processes are appropriate and suitably robust.

HR Management

Work is being undertaken to address emerging HR issues and an action plan has been adopted by the Council to be taken forward by the CEO.

Council Effectiveness

Elements of the Governance Framework require strengthening in order to maintain proper communication processes, confidentiality and sanction.

The adoption of a Corporate Plan and the quality of leadership of the new Council and the co-operation of its members will be critical factors in the success of GTCNI moving forwards into 2020-21.

The plan sets the direction for the organisation and the strategic objectives of the Council. From this plan and the associated financial strategy, will flow:

- The key activities (reflected in annual business plans) that will deliver corporate objectives;
- The organisation structure and development to support the delivery of this plan;
- The supporting marketing/communications and engagement strategy.

Financial Sustainability

While GTCNI is classified as an NDPB it receives no funding directly from DE or any other Government source. GTCNI is funded from the fee income charged to teachers for registration, presently circa £1.175m per annum.

The Council, through its Chief Executive Officer and management team, will seek to take appropriate steps to ensure the ongoing viability of GTCNI and to increase its effectiveness in delivering for the local teaching profession while maintaining optimum efficiency in day to day operations.

Internal Audit Assurance

GTCNI presently utilises the NICS IAFIS for its internal audit services. During 2018-19 audits were undertaken in respect of:

- HR Policies;
- Financial Systems;
- Information Management;
- Risk Management & Governance;
- Procurement & Contract Management; and
- Implementation of previous recommendations.

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 concluded that an overall limited assurance was appropriate for the Council in 2018-19.

Internal Audit has advised that an overall unacceptable opinion is appropriate for GTCNI for 2019-20. The key factors which have informed this opinion are:

- Investigation work carried out within GTCNI has identified important control weaknesses in relation to Corporate Governance which have the potential to impact on the overall achievement of corporate objectives.
- An Information Management Review carried out by DE's Information Management Team identified a wide range of weaknesses to the security of data held by GTCNI.
- GTCNI do not have an adequate business continuity process in place which means in the event of a disaster, GTCNI business operations may be vulnerable.
- Failure to fully deliver on all statutory functions. Regulation is one of GTCNI core functions and is not fully operational.

ACCOUNTING OFFICER'S ASSURANCE STATEMENT

GTCNI's Council members and management continue to work assiduously to progress its core business in the interest of the teaching profession.

The Council works to address corporate governance weakness and to maintain a solid foundation for GTCNI to deliver its important remit of professional regulation, teacher registration and promoting teachers' professional development. The findings of the independent Organisational Review of GTCNI continue to provide a focus for improvement.

The Council is prioritising implementation of the recommendations from Internal Audit in light of receiving "limited" and "unacceptable" opinions in its Internal Audit Assurance Statements.

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 latest assessment of governance within GTCNI.



Sam Gallaher

Chief Executive Officer

Date: 28 September 2020

REMUNERATION AND STAFF REPORT

Remuneration Report (Audited Information)

The information on pages 25 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, is set in the range of £69,309 - £84,313. 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.

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 £12,929.89 during the year.

SENIOR MANAGEMENT REMUNERATION (Audited Information)

Officials	2018-19					2017-18				
	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
S. Gallaher Chief Executive Officer (commenced 01.08.2018)	55-60 FTE 80- 85	-	100	18	70-75	-	-	-	-	-
A.Dickson Interim Chief Officer ** (left 01.07.2018)	15-20 FTE 70- 75	-	-	6	20-25	70-75	-	-	19	90-95
G.Devlin Senior Education Officer, Acting Head of Registration & Regulation	55-60	-	100	10	65-70	50-55	-	100	5	55-60
Head of Planning & Corporate Services (left 19.09.2018)	35-40 FTE 55- 60	-	-	13	45-50	50-55	-	100	17	70-75
M Matthews Finance & Contracts Manager	45-50	-	100	16	60-65	45-50	-	100	14	60-65

*	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.
**	The Interim Chief Officer was seconded from the Department of Education effective from 21 November 2016. She was a member of the Northern Ireland Civil Service Pension Scheme. Her secondment ended 1 July 2018. Her costs were billed by the Department and were 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 2018-19 (2017-18: 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 remuneration of the highest paid employee in 2018-19 was £80k-£85k (2017-18: £70k-75k). This was 2.64 (2017-18: 2.36) times the median remuneration of the workforce, which was £31,258 (2017-18: £30,785).

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.

Officials	2018-19	2017-18
Band of Highest Paid Director's Total Remuneration	£80k-£85k	£70k-£75k
Median Total Remuneration	£31,258	£30,785
Ratio	2.64	2.36

Pensions of Senior Management (Audited Information):

Officials	Accrued Pension at age 60 as at 31/03/2019 and related lump sum £'000	Real increase in pension & lump sum at pension age £'000	CETV at 31/03/2019 £'000	CETV at 31/03/2018 £'000	Real Increase in CETV £'000
S.Gallaher Chief Executive Officer (commenced 01.08.2018)	0-5 plus a lump sum of NIL	0-2.5 plus a lump sum of NIL	18	-	13
A.Dickson Interim Chief Officer* (left 01.07.2018)	15-20 plus a lump sum of 35-40	0 - 2.5 plus a lump sum of NIL	246	242	2
G.Devlin Senior Education Officer, Acting Head of Registration & Regulation	30-35 plus a lump sum of 60-65	0 - 2.5 plus a lump sum of (0) - (2.5)	666	618	48
Head of Planning & Corporate Services (left 19.09.2018)	0-5 plus a lump sum of NIL	0 - 2.5 plus a lump sum of NIL	55	39	16
M.Matthews Finance & Contracts Manager	0-5 plus a lump sum of NIL	0-2.5 plus a lump sum of NIL	58	38	20

- * 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 '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 2018 was 2.4% and HM Treasury has announced that public service pensions will be increased accordingly from April 2019.

Employee contribution rates for all members for the period covering 1 April 2019 – 31 March 2020 are as follows:

Scheme Year 1 April 2019 to 31 March 2020

Annualised Rate of Pensionable Earnings (Salary Bands)		Contribution rates All members
From	To	From 01 April 2019 to 31 March 2020
£0	£23,500.99	4.60%
£23,501.00	£54,500.99	5.45%
£54,501.00	£150,000.99	7.35%
£150,001.00 and above		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.

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 2018-19. The employer's contribution rate to the NILGOSC scheme is 19%.

Compensation for loss of office (Audited Information)

There were no compensation payments during the year.

Staff Report

Total Staff Costs (Audited Information):

	2018-19	2018-19	2018-19	2017-18
	Permanently employed staff	Others	Total	Total
	£	£	£	£
Salaries & Wages	429,991	152,218	582,209	602,403
Social Security Costs	39,363	13,841	53,204	60,973
Pension Costs	250,075	27,572	277,647	174,222
Total	719,429	193,631	913,060	837,598

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;

	2018-19	2018-19	2018-19	2017-18
	Permanently employed staff	Others	Total	Total
	No	No	No	No
Directly employed	12	4	16	17
Other	0	1	1	2
Total	12	5	17	19

Staff Composition (Audited Information):

The composition of staff is as follows;

	2018-19	2017-18
Male	4	3
Female	13	16
Total	17	19

Staff Absence (Audited Information)

Council sickness levels, excluding long term sickness, averaged 4.11 days in 2018-19 (5.36 days in 2017-18). Sickness levels, including long term sickness, averaged 11.49 days in 2018-19 (9.66 days in 2017-18). 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 £5,940 in 2018-19 (2017-18: £3,300).

Off Payroll Engagements (Audited Information)

GTCNI had no off payroll engagements in 2018-19.

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 2018-19.

Fees and Charges

There were no fees or charges for services provided by GTCNI in 2018-19.

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.

Paul O'Doherty

Paul O'Doherty

GTCNI Vice-Chair (2015-2019)

Date: 28 September 2020



Sam Gallaher

Chief Executive Officer

Date: 28 September 2020

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 2019 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 General Teaching Council for Northern Ireland's affairs as at 31 March 2019 and of the General Teaching Council for Northern Ireland's 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.

Conclusions relating to going concern

I have nothing to report in respect of the following matters in relation to which the ISAs(UK) require me to report to you where:

- the General Teaching Council for Northern Ireland's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the General Teaching Council for Northern Ireland has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the General Teaching Council for Northern Ireland's ability to continue to adopt the going concern basis.

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 and the 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.

My objectives are 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. 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.

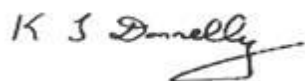
Matters on which I report by exception

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

9 October 2020

Statement of Comprehensive Net Expenditure for the year ended 31 March 2019

	Notes	2018-19 £	2017-18 £
Income			
Income		1,175,232	1,178,214
Other Income	4	11,129	6,419
Total operating income		1,186,361	1,184,633
Expenditure			
Staff Costs	3	913,060	837,598
Depreciation	5	-	3,060
Other Expenditure	3	350,211	395,981
Total operating expenditure		1,263,271	1,236,639
Net operating income/(expenditure)		(76,910)	(52,006)
Net Return on Pension Finance	2	(10,000)	(11,000)
Credit in respect of notional costs	3	11,500	11,500
Net income/(expenditure) for the year before taxation		(75,410)	(51,506)
Taxation for the year		(2,115)	-
Comprehensive net income/(expenditure) for the year after taxation		(77,525)	(51,506)
Other comprehensive expenditure			
Actuarial gain in respect of pension liability		141,000	109,000
Comprehensive net income for the year		63,475	57,494

The notes on pages 43 to 59 form part of these financial statements and should be read in conjunction therewith.

Statement of Financial Position as at 31 March 2019

	Notes	2018-19 £	2017-18 £
Non-current assets:			
Property, plant and equipment	5	1,951	-
Pension asset	2	-	-
Total non-current assets		1,951	-
Current assets			
Trade and other receivables	7	30,529	25,841
Cash and cash equivalents	8	1,902,763	1,876,842
Total current assets		1,933,292	1,902,683
Total assets		1,935,243	1,902,683
Current liabilities			
Trade and other payables	9	(59,073)	(119,988)
Total current liabilities		(59,073)	(119,988)
Total assets less current liabilities		1,876,170	1,782,695
Non-current liabilities			
Pension Liability	2	(463,000)	(433,000)
Total non-current liabilities		(463,000)	(433,000)
Total assets less total liabilities		1,413,170	1,349,695
Taxpayer's equity and other reserves			
General reserve		1,413,170	1,349,695
Total equity		1,413,170	1,349,695

The notes on pages 43 to 59 form part of these financial statements and should be read in conjunction therewith.

The financial statements were approved on 28 September 2020 on behalf of the Council by:

Paul O'Doherty

Paul O'Doherty
GTCNI Vice Chair (2015 - 2019)
Date: 28 September 2020

Sam Gallaher
Chief Executive Officer
Date: 28 September 2020

Statement of Cash Flows for the year ended 31 March 2019

	Notes	2018-19 £	2017-18 £
Cash flows from operating activities			
Net Operating Expenditure		(77,525)	(51,506)
(Increase)/Decrease in trade and other receivables		(4,688)	8,020
(Decrease)/Increase in trade and other payables		(60,915)	(19,905)
Depreciation charges	5	-	3,060
Actuarial gain on pension scheme	2	141,000	109,000
Pension scheme movement		30,000	(44,000)
Net cash inflow from operating activities		27,872	4,669
Cash flows from investing activities			
Purchase of property, plant and equipment		1,951	-
Net cash inflow from investing activities		25,921	4,669
Net increase in cash and cash equivalents in the period	8	25,921	4,669
Cash and cash equivalents at the beginning of the period	8	1,876,842	1,872,173
Cash and cash equivalents at the end of the period	8	1,902,763	1,876,842

The notes on pages 43 to 59 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 2019

	NET EXPENDITURE RESERVES £	TOTAL RESERVES £
Balance at 31 March 2017	1,292,201	1,292,201
Changes in Taxpayers Equity 2017-18		
Actuarial gain on the pension scheme	109,000	109,000
Comprehensive Net Expenditure for 2017-18	(51,506)	(51,506)
Balance at 31 March 2018	1,349,695	1,349,695
Changes in Taxpayers Equity 2018-19		
Actuarial gain on the pension scheme	141,000	141,000
Comprehensive Net Expenditure for 2018-19	(77,525)	(77,525)
Balance at 31 March 2019	1,413,170	1,413,170

The notes on pages 43 to 59 form part of these financial statements and should be read in conjunction therewith.

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019

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 1st April to the following 31st March, with the fee becoming due on 1st 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 2016 and the contributions to be paid until 31 March 2019 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

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 2018-19 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

GTCNI operates as one unit in making decisions. Therefore segmental reporting is not required for the year.

1.15 IFRS 15 Income from service revenue

There is none for the year.

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 2018-19. The employer's contribution rate to the NILGOSC scheme is 19%.

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 2018-19 totalling £287,647.

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.

Allowance for the McCloud Judgement and GMP Indexation / Equalisation

Retirement Benefits Note 2 includes an estimated allowance for additional liabilities that are now probable arising from the McCloud Judgement and GMP Indexation and Equalisation cases outlined below.

The additional liability is shown as a Past Service Cost over the accounting period based on an effective date of 31 March 2019.

McCloud Judgement

In December 2018 the Court of Appeal ruled in the 'McCloud/Sargeant' judgement that the transitional protection arrangements put in place when the Firefighters' and Judges' pension schemes were reformed were age discriminatory. The Government applied to the Supreme Court for permission to appeal this judgement, however the Supreme Court rejected the request on 27/06/2019. The next stage is for the case to be referred to the Employment Tribunal to agree the remedy, following appropriate consultation.

While the judgement was not in relation to members with Local Government Pension Scheme (NI) benefits it would be reasonable to assume that the Government will now seek remedy for all public sector schemes, including Local Government Pension Scheme (NI).

The additional liability was calculated to be 3.2% of the GTCNI's active liabilities using a salary increase assumption of 1.5% above CPI inflation

GMP Indexation and Equalisation

Guaranteed Minimum Pension (GMP) is a portion of pension that is payable to members who were contracted out of the State Second Pension and accrued benefits in the scheme between 6 April 1978 and 5 April 1997. The LGPS (NI) was contracted out.

The GMP was intended to approximately replace the State Pension which members were giving up, however the payment terms of GMP are different between men and women, which was a consequence of the state pension itself being unequal at that time.

On 26/10/2018 the High Court ruled in the Lloyds Bank case that equalisation for the effect of unequal GMPs is required.

The estimated liability has been based on a typical Local Government pension fund to quantify the value of fully indexing GMP's in line with CPI inflation for those reaching Second State Pension age after 5 December 2018. This was calculated to be 0.3% of the liabilities / defined benefit obligation.

The major assumptions used by the actuary were:

	31 March 2019 % p.a.	31 March 2018 %p.a.	31 March 2017 % p.a.
Rate of increase in salaries	3.70%	3.60%	3.50%
Rate of increase in pensions	2.20%	2.10%	2.00%
Discount rate	2.40%	2.60%	2.50%
Pension accounts revaluation rate	2.20%	2.10%	2.00%

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

	Assets at 31 March 2019 £'000	Assets at 31 March 2018 £'000
Equities	3,211	3,535
Property	604	495
Corporate Bonds	378	357
Government Bonds	890	258
Cash	146	223
Other	167	84
Fair Value of Assets	5,396	4,952

Statement of Financial Position	2019 £'000	2018 £'000
Fair value of assets	5,396	4,952
Present Value of funded defined benefit obligation	(5,859)	(5,385)
Pension (liability) recognised in the Statement of Financial Position	(463)	(433)

Changes to the Present Value of Defined Benefit:

Obligation during the Accounting Period	2019 £'000	2018 £'000
Opening defined benefit obligation	5,385	5,115
Current Service Cost	171	152
Interest expense of defined benefit obligation	140	128
Contributions by participants	39	34
Actuarial losses/(gains) due to changes in financial assumptions	302	(4)
Actuarial (gains) due to demographic assumptions	(225)	-
Actuarial losses due to liability experience	7	23
Net benefits paid out	(65)	(63)
Past service costs	105	-
Closing Defined Benefit Obligation	5,859	5,385

Changes to the fair value of assets during the accounting period	2019 £'000	2018 £'000
Opening Fair Value of Assets	4,952	4,638
Interest income on assets	130	117
Re-measurement gains on assets	225	128
Contributions by the employer	115	98
Contributions by participants	39	34

Net benefits paid out of the fund	(65)	(63)
Closing Fair Value of Employers Assets	5,396	4,952

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

	2018-19 £'000	2017-18 £'000
Amounts included in Staff Costs		
Operating Charge: Current Service Cost	171	152
Past Service Cost	105	-
Amounts charged to Pension Financing charge		
Other Finance Costs: Interest on net defined liability	10	11
Pension expense recognised in SoCNE	286	163

Amounts recognised in Other Comprehensive Expenditure (OCE):

	2018-19 £'000	2017-18 £'000
Return on plan assets (in excess of) net interest	(225)	(128)
Actuarial losses/(gains) due to changes in financial assumptions	302	(4)
Actuarial (gains) due to demographic assumptions	(225)	-
Actuarial losses due to liability experience	7	23
Total (gains)/losses recognised in OCE	(141)	(109)

Amounts for the current and previous accounting periods:

	2018-19 £'000	2017-18 £'000	2016-17 £'000
Fair value of employer assets	5,396	4,952	4,638
Present value of funded defined benefit obligation	5,859	5,385	5,115
(Liability) recognised on the Statement of Financial Position	(463)	(433)	(477)
Experience gains on assets	225	128	818
Experience losses on liabilities	7	23	318
Actuarial (gains) on assets	(225)	(128)	(818)
Actuarial losses on liabilities	84	19	1,165
Actuarial (gains)/losses recognised in OCE	(141)	(109)	347

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 (to the extent the Fund invests in corporate bonds).

Inflation Risk: the majority of the pension liabilities are linked to either pay or price inflation. Higher inflation expectations will lead to higher liability value. The assets are not perfectly 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 which 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 in the Fund.

The sensitivity of the principal assumptions used to measure the liabilities as at 31 March 2019 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)	5.652	5.858
% change in present value of total obligation	-1.80%	1.80%
Projected service cost (£M)	0.175	0.185
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)	5.781	5.727
% change in present value of total obligation	0.50%	-0.50%
Projected service cost (£M)	0.180	0.180
Approximate % change in projected service cost	0.00%	0.00%

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

Adjustment to pensions increase rate	+0.1% p.a.	-0.1% p.a.
Present value of total obligation (£m)	5.830	5.679
% change in present value of total obligation	1.30%	-1.30%
Projected service cost (£m)	0.185	0.175
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)	5.937	5.572
% change in present value of total obligation	3.20%	-3.20%
Projected service cost (£m)	0.187	0.173
Approximate % change in projected service cost	3.90%	-3.90%

*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 actual mortality experience of members within the Fund based on analysis carried out as part of 2016 valuation, and allow for expected future mortality improvements. Sample life expectancies at age 65 resulting from these mortality assumptions are shown below.

	Males	Females
Current pensioners	22.6 years	24.9 years
Future pensioners	24.3 years	26.7 years

3. Expenditure

	2018-19 £	2017-18 £
Staff Costs:		
Wages and Salaries	582,209	602,403
Social Security costs	53,204	60,973
Pension costs	277,647	174,222
	913,060	837,598
Other Operating Costs:		
Rent and rates	70,508	67,338
Service charge and utilities	43,339	52,065
Professional & Consultancy costs	43,445	41,991
Legal fees	516	31,304
Computer costs	54,984	31,027
Database support and maintenance	17,340	20,827
Stakeholder engagement	16,233	17,575
Maintenance services	16,417	17,052
Printing and stationery	10,964	13,660
Substitution costs	8,598	13,275
Recruitment costs	-	11,701
Travel and subsistence - Council	8,110	10,850
Hospitality and venue hire	6,466	9,516
Database Licences	6,488	6,840
Insurances	6,485	6,405
Advertising	-	6,291
Training and development	4,533	5,884
Postage	7,500	5,054
Miscellaneous expenses	3,423	4,887
Fee collection charges	3,635	3,746
Database enhancements	3,920	-
Travel and subsistence – Staff	2,249	3,430
Subscriptions	2,114	3,298
Election	1,022	-
Books & newspapers	422	465
	338,711	384,481
Non-Cash Items		
Notional audit fee	11,500	11,500
	11,500	11,500
Total Expenditure	1,263,271	1,233,579

4. Other Income

	2018-19 £	2017-18 £
Interest receivable	11,129	6,244
Miscellaneous	-	175
Total	11,129	6,419

5. Property, plant and equipment

CURRENT YEAR	Office Equipment £	Computer Equipment £	Furniture & Fittings £	Total £
<u>Cost or Valuation</u>				
As at 1 April 2018	72,494	53,315	50,217	176,026
Additions	-	1,951	-	1,951
Disposals	-	-	-	-
As at 31 March 2019	72,494	55,266	50,217	177,977
<u>Depreciation</u>				
As at 1 April 2018	72,494	53,315	50,217	176,026
Charge for period	-	-	-	-
Disposals	-	-	-	-
As at 31 March 2019	72,494	53,315	50,217	176,026
<u>Net Book Value</u>				
As at 31 March 2018	-	-	-	-
As at 31 March 2019	-	1,951	-	1,951
<u>Asset Financing</u>				
Owned	-	1,951	-	1,951
Total as at 31 March 2019	-	1,951	-	1,951

The Council holds no third party assets.

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

The Council holds no third party assets.

6. 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.

7. Trade receivables and other current assets

	2018-19 £	2017-18 £
Amounts Falling due within one year:		
Prepayments	27,439	23,977
Accrued income	3,090	1,864
Total	30,529	25,841

8. Cash and cash equivalents

	2018-19 £	2017-18 £
Balance at 1 April	1,876,842	1,872,173
Net change in cash and cash equivalent balances	25,921	4,669
Balance at 31 March	1,902,763	1,876,842
The following balance at 31 March were held at commercial banks and in cash in hand:	1,902,763	1,876,842

9. Trade payables and other current liabilities

	2018-19 £	2017-18 £
Amounts Falling due within one year:		
Trade payables	11,070	29,097
Accruals	48,003	90,891
Total	59,073	119,988

10. Commitments under leases

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

Obligations under operating leases comprises:

Buildings:	2018-19 £	2017-18 £
Not later than one year	65,286	65,286
Later than one year and not later than five years	-	65,286
Later than five years	-	-
	65,286	130,572

Equipment:	2018-19 £	2017-18 £
Not later than one year	-	434
Later than one year and not later than five years	-	-
Later than five years	-	-
	-	434

11. Capital Commitments

The Council has contracted, following an open procurement competition, to commit to a new website at a cost of £25,920 as at 31 March 2019.

12. 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.

13. Events after the reporting period

There are no financial events after the reporting period to report. Other important events are reported on pages 11 and 12.

The Chief Executive Officer authorised these financial statements for issue on 9 October 2020.