



General Teaching Council  
for Northern Ireland

Promoting Teacher Professionalism

# Annual Report + Accounts

for the year ended 31 March 2017

2016 / 2017



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

**ANNUAL REPORT  
AND  
ACCOUNTS**

**FOR THE YEAR ENDED  
31 MARCH 2017**

**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**

**12 March 2018**

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**Contents**

**Performance Report**

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

**Accountability Report**

Corporate Governance Report

- Report of Council 5-7
- Statement of Council and Accounting Officer's Responsibilities 8
- Governance Statement 9-17

Remuneration and Staff Report 18-25

Assembly Accountability and Audit Report 26

The Certificate and Report of the Comptroller and Auditor General to the Northern Ireland Assembly 27-28

**Financial Statements**

Statement of Comprehensive Net Expenditure 29

Statement of Financial Position 30

Statement of Cash Flows 31

Statement of Changes in Taxpayers Equity 32

Notes to the Financial Statements 33-47

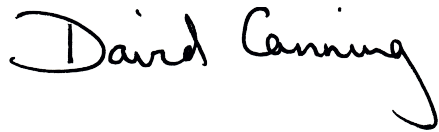
## **FOREWORD BY THE CHAIRPERSON**

I am pleased to present the 2016/17 Annual Report and Accounts published by the General Teaching Council for Northern Ireland.

The report provides a summary of the audited accounts for the financial year to 31st March 2017 and the work carried out by the General Teaching Council for Northern Ireland in this period.

The new Council was fully reconstituted in April 2016, and prioritised the development of work initiated by its predecessor to review and update the Council's Corporate Governance and Risk Management structures which included significant revision to the Council's approach in both important areas. This also included agreement on a new sub-committee structure, and the new committees have provided strategic oversight across all of the General Teaching Council for Northern Ireland's areas of business.

There has been an extensive programme of work to develop and agree the Council's approach to the regulation of the teaching profession and the Council's agreed proposals were published for public consultation in January 2017. Taking on board the feedback from the consultation, the Council subsequently ratified its Conduct Rules for Regulation and begun to operationalise its procedures. The Council has continued to maintain and improve its registration services to teachers and 26,719 teachers were registered as of 31st March 2017 and is working with the Department of Education and other stakeholders on the implementation of 'Learning Leaders', the Department's Strategy for Teacher Professional Learning. Looking forward, the Council has endorsed the recommendations of the Department of Education's Independent Review of GTCNI which has confirmed the continuing need for a professional body that registers and regulates members of the profession can provide advice on a range of issues relating to the profession. The Review recommended a range of measures that should be taken to enable GTCNI to fully meet its purpose, and this Council is determined to rise to that challenge.



**David Canning**  
**Chair, GTCNI**

## **PERFORMANCE REPORT - OVERVIEW**

### **BACKGROUND**

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

### **PRINCIPAL OBJECTIVES AND ACTIVITIES**

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

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

### **GOVERNANCE AND ACCOUNTABILITY**

The Council is designated as a Non-Departmental Public Body (NDPB) sponsored by the Department of Education. The designated Accounting Officer the Chief 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 9 addresses governance and assurance issues relating to the management of expenditure and the discharge of responsibilities during the 2016/17 financial year to support the achievement of the Council's objectives. This is in accordance with the responsibilities assigned to the Accounting Officer in 'Managing Public Money (Northern Ireland)' and the principles of 'the Corporate Governance Code' DAO (DFP) 06/13, in so far as they relate to GTCNI. In my governance statement I have provided assurance to the Education Minister and to the Northern Ireland's teaching profession that the weaknesses in GTCNI's systems of internal control, governance and accountability have been recognised, robust actions have been taken to address them and that ongoing internal and external scrutiny has been and will continue to be applied to ensure their effectiveness and appropriateness going forward.

### **CONTEXT**

The Council operates within the wider context of the Department of Education's Corporate Plan. This sets out a clear strategic direction – and that puts pupils first and is designed to ensure that all young people regardless of their background can succeed to their full potential.

## **PERFORMANCE REPORT - OVERVIEW cont..:**

### **PURPOSE**

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

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

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

### **EQUALITY OF OPPORTUNITY**

The Council meets its equality of opportunity obligations and these are set out in its Equal Opportunities Policy

### **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 £10,448 for the year (as per page 29)

### **CORPORATION TAX**

The General Teaching Council for Northern Ireland (the Council) has recognised the following unquantifiable contingent liability. GTCNI received confirmation from HMRC in 2013 that it is a charity for tax purposes under Paragraph 1 of schedule 6 Finance Act 2010 and is a charitable company effective from January 2000.

Subsequently the Charity Commission for Northern Ireland (CCNI) was established and the Council was obliged to apply to the CCNI to be recognised as a charity, which it did on 23 June 2014.

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

In October 2016, the CCNI advised that in the absence of evidence from the Council to refute their conclusion they were preparing to issue their letter of final determination. Throughout 2016-17 the Council kept in regular contact with CCNI to establish when it would receive a letter or an indication of when this might be expected. The Council also contacted HMRC who advised that having considered the information provided, that the CCNI are the main regulators and that the Council must wait for their letter of final determination to establish the Council's charitable status and thus its tax position.

CCNI wrote to the Council on 24 November 2017 indicating that the Council is not to be registered as a charity on the Northern Ireland register of charities. The letter indicated that the Council has a right to appeal the decision. As a result

of this decision, the Council may be liable retrospectively for corporation tax on its registration fee income and may also be liable retrospectively for rates. The Council has estimated that there is a possible liability in the range of £0 to £165,000 as there is uncertainty about whether HMRC will seek to implement the CCNI's decision retrospectively.

## **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 2017. The non-current assets are stated at historical cost less depreciation and have not been re-valued during the year.

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

- The Council agreed a new Corporate Governance Framework for GTCNI.
- The Council agreed a new Committee Structure to support the work of the Council and bring the new Committees into operation.
- A review of the Council's risk management approach was completed and a new risk management policy and risk register was developed and implemented.
- The Council consulted with stakeholders on its proposed approach to teacher regulation.
- The Council has completed the teacher registration process for 2016-17.
- The Council continued to approve qualifications to teach in Northern Ireland.
- Preliminary work on a performance management system for officers of the Council was undertaken.
- The Council implemented the pensions' auto enrolment process for all staff.
- The Council completed a review of all procured services with a view to ensuring that there is a strategic approach to future provision which is compliant with procurement policy.
- The Council continued to deliver value for money for subscribers and manage the Council's budget effectively.
- Throughout 2016-17 97% of all non-disputed invoices were paid within 10 working days.
- Throughout 2016-17 100% of all non-disputed invoices are paid within 30 working days.



## **ACCOUNTABILITY REPORT**

### **CORPORATE GOVERNANCE REPORT**

#### **REPORT OF COUNCIL**

##### **COUNCIL MEMBERS**

The General Teaching Council for Northern Ireland (GTCNI) (the Council) is the professional registration and regulatory body for teachers in Northern Ireland. The Council's work is funded by teachers' annual registration fees. GTCNI is governed by a representative Council of 33 members. During 2016/17 the Council was reconstituted in accordance with the 'The General Teaching Council for Northern Ireland (Constitution) Regulations (Northern Ireland) 2001' (the Constitution Regulations). Twelve members were elected in accordance with paragraph 5 of the Constitution Regulations and the Council's Scheme of Election and nineteen members were appointed by the bodies set out in paragraph 7 of the Constitution Regulations. The term of office of the current Council comes to an end on 14 October 2019.

##### **SENIOR MANAGEMENT TEAM**

The Registrar, Dr Carmel Gallagher, resigned as the Chief Executive Officer of the Council on 31 October 2016 having been absent since the beginning of March 2016. Barry Jordan, a senior official of the Department of Education was appointed as Interim Accounting Officer and Chief Officer from 22 March 2016. Subsequently Mr Jordan was replaced by Mrs Anne Dickson, also a senior official of the Department of Education, from 21 November 2016. Mrs Dickson is supported by professional staff responsible for the Council's strategic and operational work programmes. During the year the following staff served as members of the Senior Management Team: Mr Barry Jordan (from 22 March 2016 to 21 November 2016), Mrs Anne Dickson (from 21 November 2016), Mr Gerry Devlin (Senior Education Officer) and Mr Ken Rainey (Head of Planning and Corporate Services).

##### **FORMAT OF ACCOUNTS**

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

##### **PROMPT PAYMENT**

The Council is committed to the prompt payment of bills for goods and services received in accordance with the terms of contracts. It aims to pay invoices within 10 days and no later than 30 days. GTCNI complies with the British Standard for Achieving Good Payment Performance in Commercial Transactions (BS 7890), and with the Late Payment of Commercial Debts (Interest) Act 1998 as amended and supplemented by the Late Payment of Commercial Debts Regulations 2002 DAO (DFP) 12/98. During the year the Council paid 97.3% of its invoices within 10 days and 100% of all invoices 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 Interim Chief Officer is aware, there is no relevant audit information of which the Council's auditors are unaware;
- the Interim Chief Officer has taken all the steps that she ought to have taken to make herself aware of any relevant audit information and to establish that the Council's auditors have been made aware of that information.

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

**Elected Members**

Nursery School Representative	Ms Joanne Burns (from April 2016)
Special School Representative	Mr Paul Fitzpatrick (from April 2016)
Primary School Representatives	Mr Chris Murdock (from April 2016) Ms Catriona Mullan (from April 2016) Ms Grainne McAleer (from April 2016) Ms Delma Beggs (from April 2016) 1 Vacant Seat
Secondary School Representatives	Ms Susan Parlour (from April 2016) Mr Raymond Beggs (from April 2016) Mr Brendan Morgan (from April 2016) Ms Siobhan McElhinney (from April 2016) Mr Clive Bowles (from April 2016)
Primary School Principal	Mr Brian McGrath (from April 2016)
Secondary School Principal	Vacant (from April 2016)

**Appointed Members**

Northern Ireland Teachers' Council	Mr David Canning (Continuing term) Mrs Gillian Dunlop (from Oct 2015)  Mr Gordon White (from April 2016) Mr Paddy McAllister (from October 2015)
The Education Authority	Mr David Cargo (from October 2015) Mrs Monica Culbert (from October 2015)
Council for Catholic Maintained Schools	Malachy Crudden (from February 2014) Paul O'Doherty (from October 2015)
Comhairle na Gaelscolaíochta	Ms Aine Andrews (Continuing term)
Governing Bodies Association	Mrs Mary Lou Winchborne (from October 2015)
Northern Ireland Council for Integrated Education	Ms Cliodhna Scott-Wills (from May 2015)
Transferor Representatives' Council	Miss Rosemary Rainey (Continuing term)
Trustees of Catholic Maintained Schools	Mrs Carmel McCartan (Continuing term)
Universities Council for the Education of Teachers	Mr Martin Hagan (from October 2015)
Department of Education	Mr Paul Boyle (from February 2016) Ms Sheila Fleming (from February 2016) Ms Maria Mullally (from February 2016)

Mr Trevor Salmon was invited to serve as an independent non-executive member of the Audit and Risk Assurance Committee at a meeting of the ARAC on 17 November 2016.

## **COMPLAINTS PROCEDURE**

The Council has a complaints procedure in place. No complaints were received during 2016/17.

## **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 no personal data related breaches during the year.

## **DISABLED PERSONS**

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;
- working with DE on the implementation of 'Learning Leaders- A Strategy for Teacher Professional Learning'.

## **RECONSTITUTION OF COUNCIL**

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

## **CHAIRPERSON**

Mr David Canning was elected Interim Chair by Council on 4<sup>th</sup> April 2016. Mr Canning was re-elected Chair of Council on 22<sup>nd</sup> March 2017.

## **IMPORTANT EVENTS OCCURRING AFTER THE YEAR END**

In September 2017, DE shared the recommendations of its Independent Review of GTCNI with Council members. The review confirmed the continuing need for a professional organisation to carry out registration, regulation and advisory functions, and made 17 recommendations on how GTCNI could undergo a process of transformation deliver those functions. Council has considered these recommendations and agreed to a transition plan to effect their delivery.

A legal case involving the Council concluded in October 2017 and involved an outlay of £5,000. Full provision has been made in the Accounts.

The Council received a letter from the Charity Commission for Northern Ireland (CCNI) dated 24 November 2017 indicating that the Council is not to be registered as a charity on the Northern Ireland register of charities. This decision will have implications for the Council's tax position.



**Anne Dickson**  
**Interim Chief Officer**  
**Date: 20 December 2017**

## STATEMENT OF THE COUNCIL'S AND ACCOUNTING 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 Officer (including responsibility for the propriety and regularity of the public finances for which the Chief 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'.



**Anne Dickson**  
**Interim Chief Officer**

**Date: 20<sup>th</sup> December 2017**

## **GOVERNANCE STATEMENT**

### **INTRODUCTION**

This Governance Statement outlines how I, as Interim Chief Officer and Accounting Officer for the General Teaching Council for Northern Ireland, have discharged my responsibility to manage and control the resources of the Council, and the actions I have taken to maintain an effective system of governance and risk management measures to support the achievement of the Council's policies, aims and objectives during 2016/17.

### **GTCNI'S GOVERNANCE FRAMEWORK**

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

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

Since 15 April 2016 the Council has been fully reconstituted in accordance with the 'The General Teaching Council for Northern Ireland (Constitution) Regulations (Northern Ireland) 2001. It now has 31 members representing the teaching profession and the wider education service in Northern Ireland.

Mr Barry Jordan held the post of Interim Chief Officer and Accounting Officer until 21 November 2016, at which point I succeeded him.

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

### **COUNCIL AND ITS COMMITTEES**

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

The Council was reconstituted in three phases from the period October 2015 – April 2016.

The outgoing Council met twice in April 2016. On 4 April, it elected an interim Chair and Vice Chair for a three month period. At its final meeting on 14 April 2016, the outgoing Council agreed that its existing Audit and Risk Assurance Committee should meet in May 2016 to consider a number of issues including the draft 2015/16 unaudited Annual Report and Accounts and a number of Internal Audit reports. It also determined that the new Council should commit to a full day corporate governance workshop in May to discuss and agree actions to address a number of priority governance challenges facing the Council, including the role and operation of its existing committee structure.

The first meeting of the new Council took place in June 2016. A number of recommendations were presented to Council flowing from the work carried out at the corporate governance event; all of which were agreed by Council. This included a recommendation to re-constitute the Council's committees as outlined below and to include the Chair and Vice Chair of Council as ex officio members of each of the following committees:

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

The Council's new committees each met in October 2016 to elect a Chair and Vice Chair and to agree their respective Terms of Reference and immediate work priorities. Each committee held two further meetings in the reporting period.

Table 1 outlines the attendance of members at Council and Committee meetings in April / May 2016 and Table 2 outlines

attendance of members at the relevant Council meetings and meetings of the newly-constituted Committees in the period June 2016 – March 2017.

**TABLE 1: Attendance at meetings April to May 2016**

<b>Member</b>	<b>Council attendance</b>	<b>Audit and Risk Assurance. Total possible attendance is shown in brackets</b>
G Agnew	2(2)*	
A Andrews	2(2)	
I Arbuthnot	2(2)*	
R Barton	0(2)*	
S Beattie	0(2)*	
D Canning	2(2)	1(1)
B Carlin	2(2)*	
M Crudden	2(2)	
C Cumper	1(2)*	
S Douglas	1(2)*	
G Dunlop	1(2)	1(1)
B Jess	1(2)*	
J Kerr	0(1)*	
C McCay	2(2)*	
C McCartan	2(2)	1(1)
R Rainey	2(2)	1(1)
I Simons	0(2)*	
T Salmon	N/A	1(1)
C Scott-Wills	1(2)	
L O'Prey	2(2)	
P McAllister	1(2)	
M L Winchborne	2(2)	
M Hagan	2(2)	

M Culbert	0(2)	
D Cargo	2(2)	1(1)
P O'Doherty	2(2)	0(1)
P Boyle	2(2)	
S Fleming	2(2)	
V Johnston	1(2)	
M Mullally	2(2)	
G White	2(2)	

\* Term of office ended April 2016

**TABLE 2: Attendance at meetings June 2016 to March 2017**

Member	Council attendance	Sub- Committee attendance ( <i>Total possible attendance is shown in brackets</i> )			
		Audit and Risk Assurance	Finance and General Purposes	Registration, Regulation and Policy	Human Resources
A Andrews	2(4)			0(3)	
R Rainey	4(4)	2(2)			
D Canning	4(4)	1(2)*	1(3)		3(3)
C McCartan	4(4)			2(3)	
M Crudden	3(4)			2(3)	
G Dunlop	2(4)		2(3)		
C Scott-Wills	2(4)			0(3)	
D Cargo	3(4)	2(2)			
M Culbert	3(4)				1(3)
M Hagan	3(4)			3(3)	
P McAllister	0(4)		1(3)		
L O'Prey	4(4)				3(3)
ML Winchborne	4(4)			3(3)	
P O'Doherty	4(4)	0(1)*	2(3)	3(3)	
P Boyle	1(4)		2(3)		
S Fleming	3(4)	1(2)			
M Mullally	3(4)			2(3)	
V Johnston	2(4)	1(2)			
G White	3(4)			2(3)	
S Parlour	4(4)	2(2)			
R Beggs	3(4)	1(2)			
B Morgan	4(4)			3(3)	
S McElhinney	3(4)		1(3)		
C Bowles	4(4)		3(3)		
P Fitzpatrick	4(4)				2(3)
J Burns	2(4)			1(3)	
C Murdock	3(4)				2(3)



C Mullan	4(4)			3(3)	
G McAleer	4(4)				3(3)
D Boggs	3(4)		2(3)		
B McGrath	3(4)				3(3)
T Salmon	N/A	1(1)			

\*No longer on this Committee

## **Committee Highlights:**

### ***Policy Registration and Regulation Committee***

This Committee's immediate priority was the finalisation of GTCNI's approach to regulation of the teaching profession. Since its constitution in October 2016, the Committee has considered presentations from the Council's legal advisers on draft Conduct Rules to underpin the regulatory process, and has overseen an eight-week public consultation on the regulatory proposals. The Committee considered, in light of consultation findings, the Conduct Rules in detail prior to them being agreed at Council in June 2017. It is currently overseeing the finalisation of administrative arrangements to support regulation.

The Committee has overseen the annual registration of teachers process and the approval of qualifications to teach in grant-aided schools in Northern Ireland.

It has also considered how best GTCNI should engage with stakeholders across the sector on the implementation of the Department of Education's Teacher Professional Learning Strategy 'Learning Leaders – A Strategy for Teacher Professional Learning'.

### ***Finance and General Purposes Committee***

In addition to its core responsibilities in relation to financial planning and budget monitoring, this Committee has taken immediate action to oversee the revision of the Council's Complaints Policy to streamline the process, and the drafting and subsequent public consultation of an Equality Scheme and Disability Action Plan for the Council. The Committee has also monitored closely the Council's performance on procurement and contract management, which had required extensive remedial action. It oversaw the ongoing negotiation of a new lease for the Council's headquarters and an associated switch to the Government IT provider 'IT Assist'

### ***Human Resources Committee***

This Committee directed that Council Officers take immediate action to implement the recommendations of an independent report on the Council's Management Culture and Practice, which aim to help build an organisation that is fit for the future. These recommendations include the development of a performance management framework which is under development. The Committee is also overseeing arrangements for the recognition of NIPSA through a Recognition and Procedural Agreement and a Facilities Agreement.

### ***Audit and Risk Assurance Committee***

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

The reconstituted Committee has overseen an intensive internal audit programme throughout the year, through which a range of Council processes has been examined. It commissioned follow up work on corporate governance, risk management and procurement and contract management which had received a 'limited' assurance rating in the previous audit. It oversaw the provision of a new Risk Management Framework and Corporate Risk Register for the Council, featuring four high level risks on the Register with a traffic light system scoring mechanism. The proposed Framework and Register were subsequently agreed by Council and the updated Register is now a standing agenda item on the ARAC for monitoring purposes.

Representatives of internal and external audit attended all meetings of this Committee, as did a representative of the Department of Education. At its meeting on 26 November 2016, the Committee agreed to co-opt an independent

member with relevant skills, knowledge and financial expertise to the Committee. Mr Trevor Salmon was proposed and accepted the invitation to join the Committee on an interim basis until June 2017. Members subsequently discussed and agreed that Mr Salmon should be invited to remain as an independent member until such time as a process to recruit a replacement was completed.

It was also agreed to recommend to Council that it is not appropriate for the Chair and Vice Chair of Council to hold ex officio membership of this Committee. Council subsequently agreed this recommendation.

In conjunction with the Finance and General Purposes Committee, the ARAC has monitored the situation regarding the Council's application to the Charity Commission for Northern Ireland for charitable status. Both Committees agreed that officers should commission specialist taxation advice on the potential implications of the loss of charitable status, and following an open procurement process professional tax consultants were appointed to represent GTCNI with both the CCNI and Her Majesty's Revenue and Customs (HMRC).

The incoming Council inherited a number of significant corporate governance challenges, and undertook to build on the work of its predecessor Council to address those issues with some urgency. A Board Effectiveness Review carried out in 2015 identified a range of areas of significant concern, which the outgoing Council had begun to address. Limited progress on addressing those issues had led the Department of Education to introduce a number of special measures in December 2015 to strengthen the existing governance framework for its oversight of the organisation, increasing the frequency of Governance and Accountability Review meetings and the attendance of a DE representative in observer status at all Council meetings.

Internal Audit's 2015/16 Assurance Report reported that the systems in place in relation to governance were ineffective and provided only limited assurance.

As previously mentioned, prior to the first meeting of the new Council, a corporate governance workshop took place over two days in May and June 2016. The outputs from the workshop were presented to the first meeting of the new Council in June 2016 in a series of recommendations which were agreed by Council.

This included the provision of a revised Corporate Governance Framework designed to reflect best practice in the area and to support effective working by both the Council and its officers. It clarified the Council's remit and the roles of the Chair, members, Chief Officer and other senior managers; how the committees support the business of the Council and the matters reserved for decision by Council; the values, standards and behaviours required of Council members and the strategic context governing the operation of the Council as an NDPB.

As previously noted, proposals on the reconstitution of the Council's committees were agreed and subsequently actioned. The Council also agreed that its existing risk management framework should be revised and remitted the Audit and Risk Assurance Committee to oversee this work.

DE accepted in June 2016 that the Council's work in this area had successfully addressed all of the issues falling to GTCNI from the 2015 Board Effectiveness Review.

In its 2016/17 review, Internal Audit considered the current corporate governance arrangements and, in particular, the effectiveness of the Corporate Governance Framework agreed in June 2016. Internal Audit identified significant improvements in relation to the Council's corporate governance arrangements, leading to the provision of a satisfactory assurance in relation to the effective and efficient achievement of the Council's objectives.

## **GOVERNANCE AND ACCOUNTABILITY MEETINGS**

The Department of Education usually conducts bi-annual Governance and Accountability Review (GAR) meetings, chaired by the Permanent Secretary with the Chief Officer and Chair of Council. Under the special measures introduced for GTCNI in December 2015, the frequency of the GAR meetings was increased, and during 2016/17 regular GAR meetings took place in June and November with additional special measures meetings taking place in April 2016 and February 2017.

The DE Permanent Secretary informed Council on 22 September 2017 that, in light of significant progress on a range of areas, the special measures regime should be removed and normal stewardship arrangements should be resumed with immediate effect.

## **COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE**

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

## **BOARD EFFECTIVENESS**

As previously noted, the 2015 Board Effectiveness Review highlighted a range of significant governance challenges which GTCNI was required to address. Following the Council's agreement of its new Corporate Governance Framework in June 2016, DE accepted that the Council had addressed the issues falling to it from the Review. The Council operationalised its new committee structure in October 2016, leading to the smooth and effective operation of subsequent Council meetings in December 2016 and March 2017, at which substantial volumes of Council business were agreed. This culminated in the unanimous election of a Chair and Vice Chair of Council for the remainder of this Council's term at the March 2017 Council meeting.

The satisfactory assurance from Internal Audit regarding the Council's control and governance systems has provided an indication of the effectiveness of the work undertaken during 2016/17 and a formal review of the Council's effectiveness is planned during 2017/18, giving time for the new Corporate Governance Framework and Committee structure to fully embed.

## **QUALITY OF DATA USED BY COUNCIL**

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

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

Following the significant effort expended on revising the Corporate Governance Code, particularly the elements relating to the clarification of the Council's remit and the roles of the Chair, members, Chief Officer and other senior managers and how the committees support the business of the Council; the Council considers that it has confidence in the information and data received during 2016/17.

## **MINISTERIAL DIRECTIONS**

During 2016/17 no Ministerial Directions were sought or given.

## **RISK MANAGEMENT**

Risk management is the process through which we seek to control the level of risk facing GTCNI and to reduce its effects. In managing risk, GTCNI seeks to minimise, though not necessarily eliminate threats and to maximise opportunities.

Following its corporate governance workshop in May/June 2016, the Council oversaw the production of a revised Risk Management Framework based on the principles that the Accounting Officer assumes responsibility for risk management across GTCNI as a whole and that the Council takes an open and receptive approach to discussing and addressing risks across GTCNI; that there is a recognition and disclosure of the financial and non-financial implications of risks and that monitoring key risks is a priority for the management team. The new Framework sees the risk management process integrated with normal management processes and informs the annual business planning cycle so as to link risk management and internal control to the Council's ability to fulfil its business objectives. It identifies four corporate level risks and challenges:

- The risk of an ineffective governance and accountability framework;
- Failure to exercise proper stewardship of resources and to align resources to ensure the delivery of objectives within budget;
- The risk of ineffective arrangements for managing major incidents or emergencies; and
- The risk of ineffective policies and procedures to protect GTCNI from either accidental loss or malicious activities.

To provide independent assurance over the risk management process, it was agreed that Internal Audit will perform a regular review of the Council's risk management arrangements, providing an opinion on the process and making recommendations for improvement if required.

The new Framework was recommended by the Audit and Risk Assurance Committee to Council in December 2016 where it was agreed unanimously. Internal Audit's review of the Council's Risk Management Framework and updated Corporate Risk Register in April 2017, identified that Council has established risk management processes which are in line with best practice guidance and are working effectively to identify the key risks facing the Council and to manage those risks to an acceptable level. The Risk Register is subject to a detailed quarterly review, update, as appropriate, and sign-off by officers and is a standing agenda item for all meetings of the Audit and Risk Assurance Committee. On an annual basis, the Council collectively reviews and agrees the organisations 'risk appetite' and the risks included in the Corporate Risk Register.

## **SIGNIFICANT ISSUES**

### **Department of Education's Organisational Review of GTCNI**

The Department of Education commissioned a fundamental review of the administration, management and operation of GTCNI in March 2017, as provided for in the Council's MSFM. The Council welcomed the review and worked closely with the Review Team in its research to inform its deliberations.

Decisions on issues such as the Council's business plan and staffing structures were made on an interim basis pending the outcome of the review.

DE informed the Council in September 2017 that it had received the Report. The Department explained that final decisions on a number of the recommendations of the Report will rest with an incoming Education Minister, however there are others on which it believed GTCNI could make progress, both as a matter of public interest and in the interest of the teaching profession.

The review confirmed that there is a continuing need for a professional organisation / body that can:

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

The report noted that GTCNI will need to undergo significant change in order to fulfil these requirements. It said that transformation is key to the organisation's survival and this requires vision, leadership and cultural changes from within the organisation itself. It outlined the actions required to deliver this in 17 recommendations.

Council members considered the Report's recommendations in October 2017, and endorsed them unanimously. The Council's Business Targets Framework for the remainder of 2017/18 was amended to reflect the actions from the Report that it can address immediately.

### **Charitable Status**

GTCNI was registered as a charity with HMRC in 2012 for tax purposes. Following the establishment of the CCNI the Council was obliged to apply to it for recognition as a charity. CCNI has subsequently advised Council of its intent to decline this application on the basis that its purposes are not wholly charitable, in particular, its statutory duty to provide advice to the Department of Education. The Council subsequently procured professional tax consultants to represent and act as agent for the Council with both HMRC and CCNI to try to resolve this issue. On 24 November 2017 CCNI issued their final letter of determination to the Council declining its application for charitable status. The Council will now consider the letter of determination and consider whether it will appeal this decision.

## **Procurement and Contract Management**

Internal Audit found limited assurance in relation to GTCNI's performance on procurement and contract management in 2015/16, and made 13 recommendations. Internal Audit's 2016/17 review identified significant progress in relation to these recommendations, finding that nine were fully implemented, three partially implemented and only one not implemented, relating to a review of the finance manual which was put on hold pending the completion of the DE Review of GTCNI. Work on the review of the Finance Manual has now commenced.

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

GTCNI's members and staff have emerged from a challenging experience over recent years, which saw significant governance issues making effective day-to-day running of the organisation difficult to achieve. Its 2015/16, internal audit assurance report found that the systems in place in relation to risk management and governance were ineffective, and provided only limited assurance in relation to the effective and efficient achievement of the Council's objectives.

However, the new Council, with significant support from the Department of Education, rose to the challenge of addressing those issues, undertaking exhaustive work to revise its entire corporate governance structure whilst maintaining its high standards in registering Northern Ireland's teaching workforce. The 2016/17 Internal Audit Assurance Statement found that the Council's systems in relation to governance, risk management and internal control were adequate and operated effectively thereby providing satisfactory assurance in relation to the effective and efficient achievement of the Council's objectives.

The Council has emerged as a cohesive, positive and forward-looking organisation, unanimously electing a Chair and Vice Chair in March 2017 for the remainder of its term.

The Council has also committed considerable effort to operationalise its responsibilities in regulating Northern Ireland's teaching profession for the betterment of the entire profession and as a means of providing public confidence.

It is engaging with partners across the education sector in the implementation of the new teacher professional development strategy for Northern Ireland.

Council members provided a unanimous endorsement of the recommendations of DE's Organisational Review, accepting its premise that transformation is key to the organisation's survival. Council has demonstrated that it has the appetite to deliver the vision and leadership required to achieve this transformation, and has instructed officers to move forward to deliver this without delay.

Based on the contents of this statement, I am confident in providing assurance to the Education Minister and to Northern Ireland's teaching profession that the weaknesses in GTCNI's systems of internal control, governance and accountability have been recognised, robust actions have been taken to address them and that ongoing internal and external scrutiny will be applied to ensure their effectiveness and appropriateness going forward.



**Anne Dickson**  
**Interim Chief Officer**

**20 December 2017**

## **REMUNERATION AND STAFF REPORT**

### **REMUNERATION REPORT (Audited Information)**

The information on pages 18 to 24 is covered by the audit opinion.

#### **Remuneration Policy**

The remuneration of Council staff, with the exception of the Chief 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;
- stable industrial relations and negotiation and consultation between employers and recognised trade unions.

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

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

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

#### **Member Emoluments**

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

#### **Chairman's Emoluments**

The Chairman, Mr David Canning, received an allowance of £4,118 during the year.

**SENIOR MANAGEMENT REMUNERATION (Audited Information)**

Officials	2016-17					2015-16				
	Salary £'000	Bonus payments £'000	Benefits in kind (to nearest £100)	*Pension Benefits (to nearest £'000)	Total £'000	Salary £'000	Bonus payments £'000	Benefits in kind (to nearest £100)	* Pension Benefits (to nearest £'000)	Total £'000
A Dickson, Interim Chief Officer *****	25-30 (70-75 full year equivalent)	-	-	9	35-40 (80-85 full year equivalent)	n/a	n/a	n/a	n/a	n/a
C Gallagher, Registrar **	35-40 (65-70 full year equivalent)	-	100	36	70-80 (100-110 full year equivalent)	65-70	-	100	22	87-92
G Devlin, Senior Education Officer, Acting Head of Registration & Regulation ***	50-55	-	100	6	55-60	50-55	-	100	41	91-96
K Rainey Head of Planning and Corporate Services ****	50-55	-	100	23	75-80	45-50 (50-55 full year equivalent)	-	100	16	61-66 (65-70 full year equivalent)
J Cohen, Further Education Officer*****	30-35 (45-50 full year equivalent)	-	100	8	30-35 (45-50 full year equivalent)	45-50	-	100	16	61-66
Band of highest paid director's total remuneration	70-75					65-70				
Median total remuneration	26,556					26,293				
Ratio	2.73					2.57				

\* 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.

\*\* Appointed Registrar 1st October 2012. Ceased employment 31 October 2016.

\*\*\* 2% growth in pension benefits in 2016/17. The inflation adjustment in 2016 and 2017 was 1.8% and 2% respectively.

\*\*\*\* Appointed Head of Planning and Corporate Services 1<sup>st</sup> May 2015.

\*\*\*\*\* Ceased employment 30 September 2016.

\*\*\*\*\* The Interim Chief Officer is seconded from the Department of Education effective from 21 November 2016. She is a member of the Northern Ireland Civil Service Pension Scheme. Her costs are billed by the Department and are subject to VAT.



**Salary**

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

**Benefits in Kind**

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

**Bonuses**

There were no performance related payments paid or due in respect of 2016/2017 (2015/2016: nil).

**Fair Pay Disclosure (Audited Information)**

The Council is required to disclose the relationship between the remuneration of the highest paid employee and the median remuneration of the organisation’s workforce. The banded remuneration of the highest paid employee in 2016/17 was £70k-£75k (2015/16: £65k-70k). This was 2.73 (2015/16: 2.57) times the median remuneration of the workforce, which was £26,556 (2015/16: £26,293).

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

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

	<b>Accrued pension at age 60 as at 31/03/17 and related lump sum £'000</b>	<b>Real increase in pension and lump sum at pension age £'000</b>	<b>CETV at 31/03/17 £'000</b>	<b>CETV at 31/03/16 £'000</b>	<b>Real Increase In CETV £'000</b>
A Dickson, Interim Chief Officer *	15-20 plus a lump sum of (35 - 40)	0 – 2.5 plus a lump sum of (-0 - 2.5)	220	214	3
C Gallagher, Registrar	5-10 plus lump sum of nil	0 - 2.5 decrease in lump sum	101	64	37
G Devlin, Senior Education Officer, Acting Head of Registration & Regulation	20 - 30 plus lump sum of 60-65	0 - 2.5 decrease in lump sum	604	604	(11)
K Rainey, Head of Planning and Corporate Services	0 - 5 plus lump sum of nil	0 - 2.5 plus nil increase in lump sum	26	10	10
J Cohen, Further Education Officer	0 - 5 plus lump sum of nil	0 - 2.5 plus nil increase in lump sum	24	19	5

\*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 arrangements which are administered by Civil Service Pensions (CSP). 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). These arrangements are unfunded with the cost of benefits met by monies voted by the Assembly each year. From April 2011 pensions payable under classic, premium, and classic plus are reviewed annually in line with changes in the cost of living. Prior to 2011, pensions were reviewed in line with changes in the Retail Prices Index (RPI). New entrants joining on or after 1 October 2002 and before 30 July 2007 could choose between membership of premium or joining a good quality ‘money purchase’ stakeholder arrangement with a significant employer contribution (partnership pension account). New entrants joining on or after 30 July 2007 were eligible for membership of the nuvos arrangement or they could opt for a partnership pension account. Nuvos 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 current rate is 2.3%. CARE pension benefits are reviewed annually in line with changes in the cost of living.

A new pension scheme, alpha, was introduced for new entrants from 1 April 2015. The majority of existing members of the NICS pension arrangements have also moved to alpha from that date. Members who on 1 April 2012 were within 10 years of their normal pension age will 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 also 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 will be 2.32%. CARE pension benefits are reviewed annually in line with changes in the cost of living.

Increases to public service pensions are the responsibility of HM Treasury. Pensions are reviewed each year in line with 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 2016 was 1% and HM Treasury has announced that public service pensions will be increased accordingly from April 2017.

Employee contribution rates for all members for the period covering 1 April 2017 – 31 March 2018 are as follows:

**Scheme Year 1 April 2017 to 31 March 2018**

<b>Annualised Rate of Pensionable Earnings (Salary Bands)</b>		<b>Contribution rates –</b>	
		<b>Classic members or classic members who have moved to alpha</b>	<b>Contribution rates – All other members</b>
<b>From</b>	<b>To</b>	<b>From 01 April 2016 to 31 March 2017</b>	<b>From 01 April 2016 to 31 March 2017</b>
£0	£15,000.99	4.6%	4.6%
£15,001.00	£21,422.99	4.6%	4.6%
£21,423.00	£51,005.99	5.45%	5.45%
£51,006.00	£150,000.99	7.35%	7.35%
£150,001.00 and above		8.05%	8.05%

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

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

The accrued pension quoted is the pension the member is entitled to receive when they reach pension age, or immediately on ceasing to be an active member of the scheme if they are at or over pension age. Pension age is 60 for members of **classic**,

**premium**, and **classic plus** and 65 for members of **nuvos**. The normal pension age in alpha will be linked to the member's State Pension Age but cannot be before age 65. Further details about the NICS pension arrangements can be found at the website [www.finance-ni.gov.uk/topics/working-northern-ireland-civil-service/civil-service-pensions-ni](http://www.finance-ni.gov.uk/topics/working-northern-ireland-civil-service/civil-service-pensions-ni).

### **Cash Equivalent Transfer Values**

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies. The CETV figures, and from 2003-04 the other pension details, include the value of any pension benefit in another scheme or arrangement which the individual has transferred to the NICS pension arrangements. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008 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 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 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 2016/17. The employer's contribution rate to the NILGOSC scheme is 20%.

### **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, an arrangement to secure pension benefits in another pension scheme, or an 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 NILGOSC scheme. The CETV figures 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 within the guidelines and framework described by the Institute and Faculty of Actuaries and in accordance with guidance used by the Civil Service in Employer Pension Notice EPN 12/2012.

**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 employer (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.

**Severance Payment (Audited Information)**

The Registrar left the service of GTCNI on 31 October 2016 and received a severance payment of £60,000.

**STAFF REPORT**

**Total Staff Costs (Audited Information)**

	<b>2016/17 Permanently employed staff £</b>	<b>2016/17 Others £</b>	<b>2016/17 Total £</b>	<b>2015/16 Total £</b>
Salaries & Wages	521,456	112,769	634,225	608,401
Social Security Costs	47,354	11,171	58,525	45,277
Pension Costs	109,014	23,356	132,370	142,775
<b>Total</b>	<b>677,824</b>	<b>147,296</b>	<b>825,120</b>	<b>796,453</b>

**Average Number of Persons Employed (Audited Information)**

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

	<b>2016/17 Permanently employed staff No</b>	<b>2016/17 Others No</b>	<b>2016/17 Total No</b>	<b>2015/16 Total No</b>
Directly employed	14	3	17	17
Other	1	-	1	2
Engaged on capital projects	-	-	-	-
<b>Total</b>	<b>15</b>	<b>3</b>	<b>18</b>	<b>19</b>

**Staff Composition (Audited Information)**

The composition of staff is as follows:

	<b>2016/17</b>	<b>2015/16</b>
Male	3	2
Female	15	17
<b>Total</b>	<b>18</b>	<b>19</b>

**Exit Packages (Audited Information)**

<b>Exit package cost band</b>	<b>Number of other departures agreed</b>
£50,000 - £100,000	1

**Staff Absence (Audited Information)**

Council sickness levels, excluding long term sickness, averaged 10.93 days in 2016/17 (4.07 days in 2015/16). Sickness levels, including long term sickness, averaged 16.7 days in 2016/17 (23.29 days in 2015/16). The management of absenteeism is an integral part of a line manager's remit.

**Expenditure on Consultancy (Audited Information)**

GTCNI incurred no expenditure on consultancy in 2016/17 (2015/16: Nil).

**Off Payroll Engagements (Audited Information)**

GTCNI had no off payroll engagements in 2016/17.

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

**Losses and Special Payments**

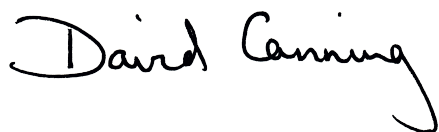
There were no losses or special payments over £250,000 in 2016-17.

**Fees and Charges**

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

**Remote Contingent Liabilities**

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



**David Canning**  
Chairperson

**Date: 20 December 2017**



**Anne Dickson**  
Interim Chief Officer

**Date: 20 December 2017**

**GENERAL TEACHING COUNCIL FOR NORTHERN IRELAND  
THE CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE  
NORTHERN IRELAND ASSEMBLY**

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I certify that I have audited the financial statements of the General Teaching Council for Northern Ireland for the year ended 31 March 2017 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 Remuneration and Staff Report and the Assembly Accountability and Audit Report that is described in these reports as having been audited.

**Respective responsibilities of the Council, Accounting Officer and auditor**

As explained more fully in the Statement of Council and Accounting Officer's Responsibilities, the Council and Accounting Officer are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. My responsibility is to audit, certify and report on the financial statements in accordance with the Education (Northern Ireland) Order 1998. I conducted my audit in accordance with International Standards on Auditing (UK and Ireland). Those standards require me and my staff to comply with the Auditing Practices Board's Ethical Standards for Auditors.

**Scope of the audit of the financial statements**

An audit involves obtaining 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. This includes an assessment of: whether the accounting policies are appropriate to the General Teaching Council for Northern Ireland's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the General Teaching Council for Northern Ireland; and the overall presentation of the financial statements. In addition I read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by me in the course of performing the audit. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my certificate.

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.

**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.

**Opinion on financial statements**

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 2017 and of the net expenditure for the year then ended; and

**GENERAL TEACHING COUNCIL FOR NORTHERN IRELAND  
THE CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE  
NORTHERN IRELAND ASSEMBLY**

---

- the financial statements have been properly prepared in accordance with the Education (Northern Ireland) Order 1998 and Department of Education directions issued thereunder.

**Emphasis of matter**

I draw attention to Note 15 to the financial statements which indicates that the Charities Commission for Northern Ireland has advised that the General Teaching Council for Northern Ireland is not to be registered as a charity on the Northern Ireland register of charities. However, uncertainty remains as to the quantum of any potential tax liability resulting from the Charities Commission for Northern Ireland's decision. My opinion is not qualified in respect of this matter.

**Opinion on other matters**

In my opinion:

- the parts of the Remuneration and Staff Report and the Assembly Accountability and Audit 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 Performance Report and Accountability Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**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 Remuneration and Staff Report and Assembly Accountability and Audit 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 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

22 December 2017



**STATEMENT OF COMPREHENSIVE NET EXPENDITURE FOR THE YEAR ENDED 31 MARCH 2017**

	Notes	2016/17	2015/16
		£	£
<b><u>EXPENDITURE</u></b>			
Staff Costs	Staff Report	825,120	796,453
Depreciation	7	2,174	1,290
Other expenditure	3	414,173	454,783
Total expenditure		<u>1,241,467</u>	<u>1,252,526</u>
<b><u>INCOME</u></b>			
Income from activities	4	1,179,032	1,179,583
Other Income	5	32,202	63,824
Total income		<u>1,211,234</u>	<u>1,243,407</u>
<b>Net Income</b>		<b>(30,233)</b>	<b>(9,119)</b>
Interest Receivable	6	10,285	6,965
<b>Net Income after Interest</b>		<b>(19,948)</b>	<b>(2,154)</b>
Net Return on Pension Finance	2	(2,000)	(6,000)
<b>Net Income after Financing</b>		<b>(21,948)</b>	<b>(8,154)</b>
Credit in respect of notional costs	3	11,500	10,000
<b>Net (Expenditure)/Income after financing transferred (from)/to Net Expenditure Reserve</b>		<b>(10,448)</b>	<b>1,846</b>
<b>Other Comprehensive Expenditure</b>			
Actuarial (loss)/gain in respect of pension liability		(347,000)	167,000
<b>Total Comprehensive (Expenditure)/ Income for the year ended 31 March 2017</b>		<b>(357,448)</b>	<b>168,846</b>

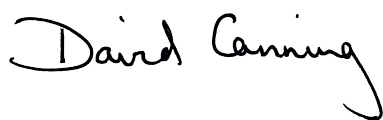
The notes on pages 33 to 47 form part of these financial statements and should be read in conjunction therewith.

**STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2017**

	Notes	2017 £	2016 £
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	7	3,060	5,234
<b>Total non-current assets</b>		<b>3,060</b>	<b>5,234</b>
<b>CURRENT ASSETS</b>			
Trade and other receivables	9	33,861	60,163
Cash and cash equivalents	10	1,872,173	1,807,605
<b>Total current assets</b>		<b>1,906,034</b>	<b>1,867,768</b>
<b>TOTAL ASSETS</b>		<b>1,909,094</b>	<b>1,873,002</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	11	(134,893)	(113,353)
Provisions	12	(5,000)	-
<b>Total current liabilities</b>		<b>(139,893)</b>	<b>(113,353)</b>
<b>Non-current assets plus net current assets</b>		<b>1,769,201</b>	<b>1,759,649</b>
<b>NON-CURRENT LIABILITIES</b>			
Pension Liability	2	(477,000)	(110,000)
<b>Total non-current liabilities</b>		<b>(477,000)</b>	<b>(110,000)</b>
<b>ASSETS LESS LIABILITIES</b>		<b>1,292,201</b>	<b>1,649,649</b>
<b>TAXPAYERS' EQUITY</b>			
Net expenditure reserve		1,292,201	1,649,649
		<b>1,292,201</b>	<b>1,649,649</b>

The notes on pages 33 to 47 form part of these financial statements and should be read in conjunction therewith.

The financial statements were approved on 20 December 2017 on behalf of the Council by:



.....  
**David Canning**

**Chairperson**



.....  
**Anne Dickson**

**Interim Chief Officer**

**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2017**

	Notes	2016/17	2015/16
		£	£
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net (deficit)/ surplus after interest		(10,448)	1,846
Decrease / (Increase) in trade and other receivables		26,302	(13,437)
Increase in trade and other payables		26,540	45,831
Depreciation charges	7	2,174	1,290
Actuarial (loss)/gain on pension scheme	2	(347,000)	167,000
Pension scheme movement		367,000	(134,000)
<b>Net cash inflow from operating activities</b>		<b>64,568</b>	<b>68,530</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment	7	-	(6,524)
<b>Net cash flow from investing activities</b>		<b>64,568</b>	<b>62,006</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS IN THE PERIOD</b>	<b>10</b>	<b>64,568</b>	<b>62,006</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	<b>10</b>	<b>1,807,605</b>	<b>1,745,599</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>10</b>	<b>1,872,173</b>	<b>1,807,605</b>

The notes on pages 33 to 47 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 2017**

	<b>NET EXPENDITURE RESERVE £</b>	<b>TOTAL RESERVES £</b>
<b>Balance at 31 March 2015</b>	<b>1,480,803</b>	<b>1,480,803</b>
<b>Changes in Taxpayers Equity 2015/16</b>		
Actuarial gain on the pension scheme	167,000	167,000
Comprehensive Net Income for 2015/16	1,846	1,846
<b>Balance at 31 March 2016</b>	<u><b>1,649,649</b></u>	<u><b>1,649,649</b></u>
<b>Changes in Taxpayers Equity 2016/17</b>		
Actuarial (loss) on the pension scheme	(347,000)	(347,000)
Comprehensive Net Expenditure for 2016/17	(10,448)	(10,448)
	-	-
<b>Balance at 31 March 2017</b>	<u><u><b>1,292,201</b></u></u>	<u><u><b>1,292,201</b></u></u>

The notes on pages 30 to 47 form part of these financial statements and should be read in conjunction therewith.

**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2017**

**1. Statement of accounting policies**

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

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

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

**1.1 Accounting Convention**

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

**1.2 Registration Fee Income**

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

**1.3 Continuing Professional Development (CPD) Expenditure**

CPD expenditure is recognised on receipt of a claim. Where CPD support has been offered but no claim received by the year end these amounts are recorded as commitments.

**1.4 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 2017 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.

**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2017**

**1.5 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.

**1.6 Intangible assets**

Expenditure on intangible assets, which comprise software licenses and the cost of IT implementation, is capitalised where the cost is £1,000 or more. Software licenses paid on a yearly basis are expensed in the year incurred. All software utilised by the Council is purchased externally and is therefore recognised as an intangible asset when it is expected to be in use for greater than one year and exceeds the capitalisation limit.

**1.7 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

**1.8 Inventory**

The Council holds 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.

**1.9 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.

**1.10 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.

**1.11 Value added tax**

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

**1.12 Corporation Tax**

Since 2013 HM Revenue & Customs has recognised the Council as a charity for tax purposes in line with Paragraph 1 of Schedule 6 Finance Act 2010.

**1.13 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.

#### **1.14 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 2016/2017 and which are relevant to its operations.

#### **1.15 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.

#### **1.16 Operating segments**

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

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

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

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

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

The Scheme is funded by contributions made by both employees and employers who have been admitted to the Scheme. Employee contribution rates depend on their pensionable remuneration and are set between 5.5% and 10.5% for 2016-17. The employer's contribution rate to the NILGOSC scheme is 20%.

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 2016/17 totaling £134,328

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.

**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2017 cont....**

**2.1 Pension and Similar Obligations (cont)**

The major assumptions used by the actuary were:

	<b>31 March 2017</b>	<b>31 March 2016</b>	<b>31 March 2015</b>
	<b>% p.a.</b>	<b>% p.a.</b>	<b>% p.a.</b>
Rate of increase in salaries	3.50%	3.30%	3.30%*
Rate of increase in pensions	2.00%	1.80%	1.80%
Discount rate	2.50%	3.40%	3.20%
Pension accounts revaluation rate	2.00%	1.80%	1.80%

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

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

	<b>Assets at</b>	<b>Assets at</b>
	<b>31 March 2017</b>	<b>31 March 2016</b>
	<b>£'000</b>	<b>£'000</b>
Equities	3,455	2,599
Property	487	477
Corporate Bonds	283	232
Government Bonds	250	206
Cash	121	83
Other	42	18
Fair value of assets	<u>4,638</u>	<u>3,615</u>

	<b>2017</b>	<b>2016</b>
	<b>£'000</b>	<b>£'000</b>
Fair value of assets	4,638	3,615
Present value of funded defined benefit obligation	<u>(5,115)</u>	<u>(3,725)</u>
Pension (liability) recognised in the Statement of Financial Position	<u>(477)</u>	<u>(110)</u>

**Changes to the Present value of Defined Benefit**

	<b>£'000</b>	<b>£'000</b>
<b>Obligation during the Accounting Period</b>		
Opening defined benefit obligation	3,725	3,735
Current Service Cost	123	129
Interest expense on defined benefit obligation	126	118
Contributions by participants	38	37
Actuarial (gains) /losses due to changes in financial assumptions	825	(144)
Actuarial (gains) due to changes in demographic assumptions	22	-
Actuarial (gains)/losses due to liability experience	318	(36)
Net benefits paid out	<u>(62)</u>	<u>(114)</u>
Closing defined benefit obligation	<u>5,115</u>	<u>3,725</u>



**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2017 cont....**

**2.1 Pension and Similar Obligations (cont)**

<b>Changes to the fair value of assets during the accounting period</b>	<b>2017 £'000</b>	<b>2016 £'000</b>
Opening Fair Value of Assets	3,615	3,491
Interest income on assets	124	112
Re-measurement gains/(losses) on assets	818	(13)
Contributions by the employer	105	102
Contributions by participants	38	37
Net benefits paid out of the fund	<u>(62)</u>	<u>(114)</u>
Closing Fair Value of Employer Assets	<b><u>4,638</u></b>	<b><u>3,615</u></b>

**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2017 cont....**

**2.1 Pension and Similar Obligations (cont)**

**Charges to the Statement of Comprehensive Net Expenditure (SOCNE)**

	<b>2016/17</b>	<b>2015/16</b>
	<b>£'000</b>	<b>£'000</b>
<b>Amounts included in Staff Costs</b>		
Operating Charge: Current service cost	123	129
<b>Amounts charged to Pension Financing Charge</b>		
Other Finance Costs: Interest on net defined liability/(asset)	<u>2</u>	<u>6</u>
Pension expense recognised in SOCNE	<u><b>125</b></u>	<u><b>135</b></u>

**Amounts recognised in Other Comprehensive Expenditure (OCE)**

	<b>£'000</b>	<b>£'000</b>
Return on plan assets (in excess of)/below that recognised in net interest.	(818)	13
Actuarial losses/(gains) due to changes in financial assumptions	825	(144)
Actuarial losses/(gains) due to changes in demographic assumptions	22	-
Actuarial losses/(gains) due to liability experience	<u>318</u>	<u>(36)</u>
Total losses/(gains) recognised in OCE	<u><b>347</b></u>	<u><b>(167)</b></u>

**Amounts for the current and previous accounting periods**

	<b>2016/17</b>	<b>2015/16</b>	<b>2014/15</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Fair value of employer assets	4,638	3,615	3,491
Present value of funded defined benefit obligation	5,115	3,725	3,735
(Liability) recognised on the Statement of Financial Position	<u>(477)</u>	<u>(110)</u>	<u>(244)</u>
Experience (losses) / gains on assets	818	13	(271)
Experience (gains)/losses on liabilities	318	(36)	(21)
Actuarial (gains)/losses on assets	<u>(818)</u>	<u>13</u>	<u>(271)</u>
Actuarial (gains)/losses on liabilities	1,165	(180)	317
Actuarial losses/(gains) recognised in OCE	<u><b>347</b></u>	<u><b>(167)</b></u>	<u><b>46</b></u>

**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2017 cont....**

**2.1 Pension and Similar Obligations (cont)**

**Sensitivity Analysis**

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

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

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

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

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

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

The sensitivity of the principal assumptions used to measure the liabilities as at 31 March 2017 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)	5.024	5.207
% change in present value of total obligation	-1.8%	1.8%
Projected service cost (£m)	0.165	0.175
Approximate % change in projected service cost	-2.7%	-2.8%

**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)	5.139	5.091
% change in present value of total obligation	0.5%	-0.5%
Projected service cost (£m)	0.170	0.170
Approximate % change in projected service cost	0.0%	0.0%

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

Adjustment to pensions increase rate	+0.1% p.a.	-0.1% p.a.
Present value of total obligation (£m)	5.183	5.048
% change in present value of total obligation	1.3%	-1.3%
Projected service cost (£m)	0.175	0.165
Approximate % change in projected service cost	2.8%	-2.7%

**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2017 cont....**

**2.1 Pension and Similar Obligations (cont)**

Post retirement mortality assumption

Adjustment to mortality age rating assumption*	-1 year	+1 year
Present value of total obligation (£m)	5.267	4.964
% change in present value of total obligation	3.0%	-3.0%
Projected service cost (£m)	0.176	0.164
Approximate % change in projected service cost	3.7%	-3.6%

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

Comment on Mortality assumptions:

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

	Males	Females
Current pensioners	23.2 years	25.8 years
Future pensioners	25.4 years	28.1 years

**3. Other Expenditure**

	<b>2016/17</b>	<b>2015/16</b>
	<b>£</b>	<b>£</b>
<b>Registration Costs</b>		
Database support and maintenance	37,683	28,791
Database licences	0	9,956
Database enhancements	6,556	12,268
	<u><b>44,239</b></u>	<u><b>51,015</b></u>

**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2017 cont....**

**3. Other Expenditure (cont)**

<b>Other Operating Costs</b>	<b>2016/17</b>	<b>2015/16</b>
	<b>£</b>	<b>£</b>
Rent and rates	63,228	61,124
Professional & Consultancy costs	42,889	57,762
Legal fees	56,588	28,996
Service charge and utilities	51,405	48,505
Computer costs	33,304	31,234
Substitution costs	16,170	6,930
Printing and stationery	14,714	19,547
Travel and subsistence - Council	10,773	9,600
Postage	9,862	20,080
Maintenance services	9,783	12,821
Miscellaneous expenses	8,992	2,467
Hospitality and venue hire	8,811	8,174
Training and recruitment	6,651	23,751
Insurances	5,892	6,180
Stakeholder engagement	4,495	11,113
Fee collection charges	3,692	2,373
Travel and subsistence – Staff	3,233	2,635
Subscriptions	2,079	1,748
Books & newspapers	873	1,544
Election costs	-	37,184
	<u><b>353,434</b></u>	<u><b>393,768</b></u>

**Non-cash items**

Notional audit fee	11,500	10,000
Provision for legal case	5,000	-
	<u><b>16,500</b></u>	<u><b>10,000</b></u>

Total Other Expenditure	<u><b>414,173</b></u>	<u><b>454,783</b></u>
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**4. Income from activities**

	<b>2016/17</b>	<b>2015/16</b>
	<b>£</b>	<b>£</b>
Registration fees	1,179,032	1,179,583
	<u><b>1,179,032</b></u>	<u><b>1,179,583</b></u>

**5. Other Income**

	<b>2016/17</b>	<b>2015/16</b>
	<b>£</b>	<b>£</b>
Department of Employment and Learning	31,315	63,824
Miscellaneous	887	-
	<u><b>32,202</b></u>	<u><b>63,824</b></u>

**GENERAL TEACHING COUNCIL FOR NORTHERN IRELAND: YEAR ENDED 31 MARCH 2017**

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<b>6. Interest receivable</b>	<b>2016/17</b>	<b>2015/16</b>
Bank interest receivable	£ <b>10,285</b> =====	£ <b>6,965</b> =====

**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2017 cont....**

**7. Property, plant and equipment**

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

The Council holds no third party assets.

**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2017 cont....**

**7. Property, plant and equipment (cont)**

	<b>Prior Year</b>			
	<b>Office Equipment £</b>	<b>Computer Equipment £</b>	<b>Furniture &amp; Fittings £</b>	<b>Total £</b>
<b>Cost or valuation</b>				
As at 1 April 2015	72,494	46,791	50,217	169,502
Additions	-	6,524	-	6,524
Disposals	-	-	-	-
As at 31 March 2016	<u>72,494</u>	<u>53,315</u>	<u>50,217</u>	<u>176,026</u>
<b>Depreciation</b>				
As at 1 April 2015	72,494	46,791	50,217	169,502
Charge for period	-	1,290	-	1,290
Disposals	-	-	-	-
As at 31 March 2016	<u>72,494</u>	<u>48,081</u>	<u>50,217</u>	<u>170,792</u>
<b>Net Book Value</b>				
As at 31 March 2015	-	5,234	-	5,234
As at 31 March 2016	-	5,234	-	5,234
<b>Asset Financing</b>				
Owned	-	5,234	-	5,234
Total at 31 March 2016	<u>-</u>	<u>5,234</u>	<u>-</u>	<u>5,234</u>

The Council holds no third party assets.



**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2017 cont....**

**8. Financial instruments**

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

**9. Trade receivables and other current assets**

	2016/17 £	2015/16 £
<b>Amounts falling due within one year:</b>		
Prepayments and accrued income	33,861	36,691
Other receivables	-	23,472
Total	<u>33,861</u>	<u>60,163</u>

**10. Cash and cash equivalents**

	2016/17 £	2015/16 £
Balance at 1 April	1,807,605	1,745,599
Net change in cash and cash equivalent balances	<u>64,568</u>	<u>62,006</u>
Balance at 31 March	<u>1,872,173</u>	<u>1,807,605</u>
The following balances at 31 March were held at commercial banks and in cash in hand:	<u>1,872,173</u>	<u>1,807,605</u>

**11. Trade payables and other current liabilities**

	2016/17 £	2015/16 £
<b>Amounts falling due within one year:</b>		
Trade payables	63,205	45,709
Accruals and deferred income	<u>71,688</u>	<u>67,643</u>
	<u>134,893</u>	<u>113,353</u>

**12. Provision for liabilities and charges**

	2016/17 £	2015/16 £
Provision for legal case	<u>5,000</u>	-

**13. Commitments under leases**

	2016/17	2015/16
	£	£
Total future minimum lease payments under operating leases are as follows:		
Obligations under operating leases comprises:		
Buildings:		
Not later than one year	65,286	25,965
Later than one year and not later than five years	130,572	-
Later than five years	-	-
	<u>195,858</u>	<u>25,965</u>
Equipment:		
Not later than one year	830	4,976
Later than one year and not later than five years	-	830
Later than five years	-	-
	<u>830</u>	<u>5,806</u>

**14. Capital Commitments**

There were no capital commitments at 31 March 2017 for which contracts had been entered into or authorised by the Council.

**15. Contingent Liabilities disclosed under IAS 37**

The General Teaching Council for Northern Ireland (the Council) has recognised the following unquantifiable contingent liability. GTCNI received confirmation from HMRC in 2013 that it is a charity for tax purposes under Paragraph 1 of schedule 6 Finance Act 2010 and is a charitable company effective from January 2000.

Subsequently the Charity Commission for Northern Ireland (CCNI) was established and the Council was obliged to apply to the CCNI to be recognised as a charity, which it did on 23 June 2014.

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

In October 2016, the CCNI advised that in the absence of evidence from the Council to refute their conclusion they were preparing to issue their letter of final determination. Throughout 2016-17 the Council kept in regular contact with CCNI to establish when it would receive a letter or an indication of when this might be expected. The Council also contacted HMRC who advised that having considered the information provided, that the CCNI are the main regulators and that the Council must wait for their letter of final determination to establish the Council's charitable status and thus the its tax position.

CCNI wrote to the Council on 24 November 2017 indicating that the Council is not to be registered as a charity on the Northern Ireland register of charities. The letter indicated that the Council has a right to appeal the decision. As a result of this decision, the Council may be liable retrospectively for corporation tax on its registration fee income and may also be liable retrospectively for rates. The Council has estimated that there is a possible liability in the range of £0 to £165,000 as there is uncertainty about whether HMRC will seek to implement the CCNI's decision retrospectively.

**16. 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)
- Department for the Economy (DfE)

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.

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

A legal case involving the Council concluded in October 2017 and involved an outlay of £5,000. Full provision has been made in the Accounts.

As indicated in Note 15 above the Council received a letter from the Charity Commission for Northern Ireland (CCNI) dated 24 November 2017 indicating that the Council is not to be registered as a charity on the Northern Ireland register of charities. This decision will have implications for the Council's tax position.

The Interim Chief Officer authorised these financial statements for issue on 22<sup>nd</sup> December 2017.