



QQI

Quality and Qualifications Ireland
Dearbhú Cáilíochta agus Cáilíochtaí Éireann

**QUALIFICATIONS AND QUALITY ASSURANCE AUTHORITY OF IRELAND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2020**

QUALIFICATIONS AND QUALITY ASSURANCE AUTHORITY OF IRELAND

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QUALIFICATIONS AND QUALITY ASSURANCE AUTHORITY OF IRELAND

AUTHORITY INFORMATION

Authority Address: 26/27 Denzille Lane
Dublin 2
Ireland
D02 P266

Executive Management Team:

Dr. Pádraig Walsh	- Chief Executive Officer
Dr. Anna Murphy	- Senior Strategic Adviser
Dr. Bryan Maguire	- Director of Quality Assurance
Ms. Barbara Kelly	- Director of Qualifications
Ms. Karena Maguire	- Head of Stakeholder Engagement
Ms. Clíona Curley	- Director of Corporate Services
Mr. Eamonn Collins	- Manager of Human and Physical Resources
Mr. Liam Butler	- Finance & Procurement Manager

Members of the Authority: Ms. Joanne Harmon (Chair)

Dr. Barbara Brittingham	
Ms. Clíona Curley	Interim Chief Executive Officer- (1 Oct 20-11 Jan 21)
Ms. Mary Danagher	
Mr. Blake Hodgkinson	
Mr. Kevin McStravock	USI Nomination
Mr. Thomas McDermott	
Dr. Niamh O'Reilly	
Prof. Irene Sheridan	
Dr. Anne Walsh	
Dr. Pádraig Walsh	Chief Executive Officer (to 30 Sep 20)

Bank: A.I.B.
1 Lower Baggot Street
Dublin 2
D02 X342

Solicitors: Brian Whitaker & Co Solicitors
4 Dartmouth Place
Dublin 6
D06 XK75

Auditors: The Comptroller and Auditor General
3a Mayor Street Upper
Dublin 1
D01 PF72

Web Site: www.qqi.ie

QUALIFICATIONS AND QUALITY ASSURANCE AUTHORITY OF IRELAND

**REPORT OF THE COMPTROLLER AND AUDITOR GENERAL
ON THE FINANCIAL STATEMENTS**

(To be inserted when the audit is complete)

QUALIFICATIONS AND QUALITY ASSURANCE AUTHORITY OF IRELAND

**REPORT OF THE COMPTROLLER AND AUDITOR GENERAL
ON THE FINANCIAL STATEMENTS**

(To be inserted when the audit is complete)

QUALIFICATIONS AND QUALITY ASSURANCE AUTHORITY OF IRELAND

GOVERNANCE STATEMENT AND AUTHORITY MEMBERS' REPORT

GOVERNANCE

The Qualifications and Quality Assurance Authority of Ireland was established under the Qualifications and Quality Assurance (Education and Training) Act 2012.

The functions of the Authority are set out in section 9 of this Act. The Authority is accountable to the Minister for Further and Higher Education, Research, Innovation and Science and is responsible for ensuring good governance and performs this task by setting strategic objectives and targets and making strategic decisions on all key business issues. The regular day-to-day management, control and direction of the Qualifications and Quality Assurance Authority of Ireland are the responsibility of the Chief Executive Officer (CEO) and the Executive Management Team. The CEO and the Executive Management Team must follow the broad strategic direction set by the Authority and must ensure that all Authority members have a clear understanding of the key activities and decisions related to the entity, and of any significant risks likely to arise. The CEO acts as a direct liaison between the Authority and management of the Qualifications and Quality Assurance Authority of Ireland.

AUTHORITY RESPONSIBILITY

The work and responsibilities of the Authority are set out in the Schedule of Reserved Functions, which also contain the matters specifically reserved for Authority decision. Standing items considered by the Authority include:

- declaration of interests,
- reports from committees,
- financial reports/management accounts,
- performance reports, and
- reserved matters.

Section 23 of the Qualifications and Quality Assurance (Education and Training) Act 2012 requires the members of the Qualifications and Quality Assurance Authority of Ireland to keep, in such form as may be approved by the Minister for Further and Higher Education, Research, Innovation and Science with consent of the Minister for Public Expenditure and Reform, all proper and usual accounts of money received and expended by it.

In preparing these financial statements, the members of the Qualifications and Quality Assurance Authority of Ireland are required to:

- select suitable accounting policies and apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that it will continue in operation, and
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.

The Authority is responsible for keeping adequate accounting records which disclose, with reasonable accuracy at any time, its financial position and enables it to ensure that the financial statements comply with Section 23 of the Qualifications and Quality Assurance (Education and Training) Act 2012. The maintenance and integrity of the corporate and financial information on the Qualifications and Quality Assurance Authority of Ireland's website is the responsibility of the members.

The members of the Authority are responsible for approving the annual plan and budget. The members evaluate the performance of the Qualifications and Quality Assurance Authority of Ireland by reference to the annual plan and budget at every Authority meeting.

The members of the Authority are also responsible for safeguarding its assets and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The members of the Authority consider that the financial statements of the Qualifications and Quality Assurance Authority of Ireland give a true and fair view of the financial performance and the financial position of the Qualifications and Quality Assurance Authority of Ireland at 31 December 2020.

QUALIFICATIONS AND QUALITY ASSURANCE AUTHORITY OF IRELAND

GOVERNANCE STATEMENT AND AUTHORITY MEMBERS' REPORT

(CONTINUED)

The Authority consists of a Chairperson, the Chief Executive (Ex Officio member) and eight ordinary members, all of whom are appointed by the Minister for Further and Higher Education, Research, Innovation and Science. The members of the Authority are appointed for a period of five years and meet a minimum of four times per annum. The table below details the appointment period for members serving during the year:

Authority Member	Role	Date Appointed
Ms. Joanne Harmon	Chairperson	13 March 2018
Dr. Barbara Brittingham	Ordinary Member	6 November 2017
Ms. Mary Danagher	Ordinary Member	6 November 2017
Mr. Blake Hodkinson	Ordinary Member	13 March 2018
Mr. Thomas McDermott	Ordinary Member	6 November 2017
Mr. Kevin McStravock	Ordinary Member	2 July 2019
Dr. Niamh O'Reilly	Ordinary Member	13 March 2018
Prof. Irene Sheridan	Ordinary Member	13 March 2018
Dr. Anne Walsh	Ordinary Member	13 March 2018
Dr. Pdraig Walsh	Chief Executive	6 November 2012 (to 30 September 2020)
Ms. Cliona Curley	Interim Chief Executive	1 October 2020

The Authority conducted an internal assessment of the effectiveness of the Authority for 2020 in Quarter 1, 2021. An External Review of the effectiveness of the Authority and its Committees was carried out in Quarter 4, 2020 with the resulting report received in Quarter 1, 2021.

The Authority has established six committees, as follows:

1. **Audit and Risk Committee.** Relative to the number of members of the QQI, comprised two Authority members and one independent member. The role of the Audit and Risk Committee is to support the Authority in relation to its responsibilities for issues of risk, internal control and governance and associated assurance. The Audit and Risk Committee is independent from the financial management of the organisation. In particular, the Committee ensures that the internal control systems including audit activities are monitored actively and independently. The Audit and Risk Committee reports to the Authority after each meeting, and formally in writing annually.

The members of the Audit and Risk Committee are Thomas McDermott (former Chairperson, ended 13 November 2020), Blake Hodkinson (appointed Chairperson w.e.f. 4 December 2020) and Tony Mealy (external non-Authority member). There were four meetings of the committee in 2020.

2. **Policies and Standards Committee** comprises two Authority members and eight other members. The purpose of the Policies and Standards Committee is to apply its expertise to considering QQI draft policy and making recommendations to the Authority regarding the approval of these policies in line with the organisation's strategy; it can also agree, or refer to the Authority, modifications to policy. It will also consider and may act on recommendations from the Executive to determine standards of knowledge, skill and competence for education and training awards or to endorse subject guidelines concerning knowledge, skill and competence for higher education awards.

The members of this committee are: Anne Walsh (Chairperson), Niamh O'Reilly, Lucien Bollaert (ended 28 February 2020), Bryan Fields, Achim Hopbach (commenced 29 September 2020) Barbara Kelly, Daire Keogh (ended 4 June 2020), Bryan Maguire, Hannah McGee (commenced 4 June 2020), Aileen Ponton, Alan Power (commenced 4 June 2020) and Aoife Sweeney. There were four meetings of the committee in 2020.

QUALIFICATIONS AND QUALITY ASSURANCE AUTHORITY OF IRELAND

GOVERNANCE STATEMENT AND AUTHORITY MEMBERS' REPORT

(CONTINUED)

3. **Programmes and Awards Executive Committee** comprises one Authority member and six Executive members. The purpose of the Programmes and Awards Executive Committee is primarily to perform such of the Authority's functions as to ensure that programmes and the awards to which they lead that are recognised within the National Framework of Qualifications (NFQ) are appropriate and consistent. The decisions and recommendations of the Committee are informed by external expertise and recommendations, normally provided in the form of external panel reports and the outcomes of monitoring and review activities carried out by QQI.

The members of this committee are: Pdraig Walsh (Chairperson, ended 30 September 2020), Cliona Curley (Interim Chairperson, commenced 1 October 2020), Marie Gould, Barbara Kelly, Angela Lambkin, Bryan Maguire, John O'Connor, Róisín Sweeney (ended 3 July 2020) and Andrina Wafer. There were seven meetings of the committee in 2020.

4. **Programmes and Awards Oversight Committee:** comprises two Authority members and four other members. The purpose of the Programmes and Awards Oversight Committee is to review and analyse the activities of the Programmes and Awards Executive Committee, and on that basis to provide advice and make recommendations to the Programmes and Awards Executive Committee on the fulfilment of its purpose. It will also confirm or refer back decisions referred to it by the Programmes and Awards Executive Committee, as required.

The members of this committee are: Barbara Brittingham (Chairperson), Mary Danagher, Ken Carroll, Paul Lyons, Gerard Morgan, and Gina Quin. There were two meetings of the committee in 2020.

5. **Approvals and Reviews Committee:** comprises two Authority members and eight other members. The purpose of the Approvals and Reviews Committee is to perform such of the Authority's functions as to ensure that providers, to which it grants access to external quality assurance, the International Education Mark, and delegated authority, have met and continue to meet, the associated criteria.

The members of this committee are: Irene Sheridan (Chairperson, w.e.f 1 January 2020), Kevin McStravock, Ailsa Crum, Colette Harrison, Marie Kehoe-O'Sullivan (ended 2 November 2020), William Kelly (commenced 27 August 2020), Siobhan Kinsella (commenced 27 August 2020), Geraldine Larkin, and Mary Sheridan. There were four meetings of the committee in 2020.

6. **HR and Organisation Committee:** comprises three Authority members. The purpose of the HR and Organisation Committee is to reinforce its own governance and oversight in these areas.

The members of this committee are: Joanne Harmon, Mary Danagher and Blake Hodkinson. There were three meetings of the committee in 2020.

QUALIFICATIONS AND QUALITY ASSURANCE AUTHORITY OF IRELAND

GOVERNANCE STATEMENT AND AUTHORITY MEMBERS' REPORT

(CONTINUED)

SCHEDULE OF ATTENDANCE, FEES AND EXPENSES

A schedule of attendance at the Authority and Committee meetings for 2020 is set out below including the fees and expenses received by each member. The amounts stated include travel and subsistence in performance of role as members of QQI authority and other QQI duties.

***	Authority **	ARC *	PSC*	PAEC *	PAOC*	A&RC*	HR&OC*	Fees 2020	Expenses 2020
TOTAL	8	4	4	7	2	4	3		
Ms. Joanne Harmon	8(8)						3(3)	N/A	-
Dr. Barbara Brittingham	8(8)				2(2)			N/A	652
Ms. Mary Danagher	7(8)				0(2)		3(3)	N/A	-
Mr. Blake Hodgkinson	8(8)	4(4)					3(3)	N/A	-
Mr. Thomas McDermott	8(8)	4(4)						N/A	733
Mr. Kevin McStravock	8(8)					4(4)		N/A	-
Dr. Niamh O'Reilly	8(8)		4(4)					N/A	-
Ms. Irene Sheridan	8(8)					4(4)		N/A	125
Dr. Anne Walsh	8(8)		4(4)					N/A	-
Dr. Pdraig Walsh ⁺	4(4)			5(5)				N/A	77
Ms. Cliona Curley	1(1)			2(2)				N/A	-
TOTAL								NIL	1,587

Meeting attendance above is listed as number of meetings attended (number of meetings eligible to attend).

QQI Authority Members do not receive fees.

ARC: Audit and Risk Committee
PSC: Policies and Standards Committee
PAEC: Programmes and Awards Executive Committee
PAOC: Programmes and Awards Oversight Committee
A&RC: Approvals and Reviews Committee
HR&OC: HR and Organisation Committee

⁺ Includes travel and subsistence in performance of role as CEO

^{**} In 2020, three Authority meetings were held incorporeally.

^{***} QQI Meetings (Authority and Committee) were held virtually/through video conferencing from 15 March 2020 due to Covid-19 public health restrictions in place throughout the year.

Gender Balance in the Authority membership

As at 31 December, the Authority had six (66%) female and three male members (33%), pending the appointment of a permanent Chief Executive. Prior to the retirement of the Chief Executive, QQI met the Government target of a minimum of 40% representation of each gender in the membership of State Boards.

Advisory statement for submissions to Ministers on appointments/re-appointments to Boards

The Minister's attention is drawn to the Government target to achieve 40% representation of each gender in the membership of all State Authorities. QQI currently has six female Board members (66%) and three male Board members (33%) with one vacancy. To meet the gender balance target, the QQI Authority with ten Authority members would have to have a minimum of four males and four females.

KEY PERSONNEL CHANGES

The contract of the Chief Executive, Dr. Pdraig Walsh, ended on 30 September 2020. Ms. Cliona Curley, Director of Corporate Services, was appointed Interim Chief Executive from 1 October 2020.

QUALIFICATIONS AND QUALITY ASSURANCE AUTHORITY OF IRELAND

GOVERNANCE STATEMENT AND AUTHORITY MEMBERS' REPORT

(CONTINUED)

DISCLOSURES REQUIRED BY CODE OF PRACTICE FOR THE GOVERNANCE OF STATE BODIES (2016)

The Authority is responsible for ensuring that the Qualifications and Quality Assurance Authority of Ireland has complied with the requirements of the Code of Practice for the Governance of State Bodies ("the Code"), as published by the Department of Public Expenditure and Reform in August 2016. The following disclosures are required by the Code:

EMPLOYEE SHORT-TERM BENEFITS BREAKDOWN

Employees' short-term benefits in excess of €60,000 are set out in note 6 of the annual financial statements.

CONSULTANCY COSTS

Consultancy costs include the cost of external advice to management and exclude outsourced 'business-as-usual' functions. Consultancy costs are charged against 'Professional fees', 'Payroll Processing and Accountancy Supports, and 'Legal Fees' reflecting the nature and scope of the consultancy service provided.

	2020	2019
	€	€
General Legal advice	20,784	11,279
ENQA Review	-	34,259
Actuarial advice	2,723	2,460
Funding model review	9,840	19,680
Review of Levels 1-4 National Framework Qualifications	62,878	-
Review of Level 6 National Framework Qualifications	25,925	-
COVID 19 – Modifications to TLA in Irish FET and HE	26,625	
Human Resources advice (incl Workforce Plan)	-	42,498
Information technology plan	-	59,462
Board effectiveness review	2,595	
National student engagement programme (NStEP)	60,000	54,536
Consultancy costs charged to the Income and Expenditure and Retained Revenue Reserves	211,370	224,174

QUALIFICATIONS AND QUALITY ASSURANCE AUTHORITY OF IRELAND

GOVERNANCE STATEMENT AND AUTHORITY MEMBERS' REPORT

(CONTINUED)

LEGAL COSTS AND SETTLEMENTS

The table below provides a breakdown of amounts recognised as expenditure in the reporting period in relation to legal costs, settlements and conciliation and arbitration proceedings relating to contracts with third parties. This does not include expenditure incurred in relation to general legal advice received by the Qualifications and Quality Assurance Authority of Ireland which is disclosed in Consultancy costs above.

	2020 €	2019 €
Settlements	-	4,000
Total	-	4,000

TRAVEL AND SUBSISTENCE EXPENDITURE

Travel and subsistence expenditure is categorised as follows:

	2020 €	2019 €
Domestic		
- Authority*	855	18,961
- Employees	8,846	35,511
International		
- Authority *	732	7,794
- Employees	1,039	44,405
Total	11,472	106,671

* includes travel and subsistence of €936 paid directly to Authority members in 2020 (2019: €11,220). The balance of €651 (2019: €15,535) relates to expenditure paid by QQI on behalf of the Authority members.

HOSPITALITY EXPENDITURE

The Income and Expenditure Account includes the following hospitality expenditure:

	2020 €	2019 €
Staff welfare and hospitality	12,116	7,762
Authority hospitality	-	3,114
Total	12,116	10,876

QUALIFICATIONS AND QUALITY ASSURANCE AUTHORITY OF IRELAND

GOVERNANCE STATEMENT AND AUTHORITY MEMBERS' REPORT

(CONTINUED)

STATEMENT OF COMPLIANCE

The Authority has adopted the Code of Practice for the Governance of State Bodies (2016).

The Qualifications and Quality Assurance Authority of Ireland was in compliance with the Code of Practice for the Governance of State Bodies in 2020.

Joanne Harmon
Chairperson

Dr. Padraig Walsh
Chief Executive

Date

Date

QUALIFICATIONS AND QUALITY ASSURANCE AUTHORITY OF IRELAND

STATEMENT ON INTERNAL CONTROL

SCOPE OF RESPONSIBILITY

On behalf of the members of the Qualifications and Quality Assurance Authority of Ireland, we acknowledge our responsibility for ensuring that an effective system of internal controls is maintained and operated.

The system of internal controls can only provide reasonable and not absolute assurance that assets are safeguarded, transactions are authorised and properly recorded, and that material errors or irregularities are either prevented or would be detected in a timely period.

PURPOSE OF SYSTEM OF INTERNAL CONTROL

The Authority has taken steps to ensure an appropriate control environment by:

- Scheduling regular meetings at which the Authority was provided with regular updated reports of expenditure;
- Establishing an Audit and Risk Committee. Its terms of reference included ensuring systems that continually operate and enhance internal control;
- Clearly defining management responsibilities, with responding accountability;
- Monitoring and reporting on process;
- Adopting the principles of corporate governance contained in the Code of Practice for the Governance of State Bodies including:
 - Affirmation of compliance with procurement guidelines as set out in the Code.
 - Affirmation of compliance with disposal of assets and access to assets by third parties as set out in the Code.
 - Review and finalise policies and procedures to ensure the effectiveness of the systems of internal control.
 - Establishing formal procedures to monitor the activities and safeguard the assets of the organisation.

CAPACITY TO HANDLE RISK

Qualifications and Quality Assurance Authority of Ireland has established processes to identify and evaluate financial and business risks by:

- Identifying the nature and extent of financial and business risks that face the Authority;
- Assessing the potential of identified risks occurring;
- Evaluating and assessing the internal capacity of the Authority to manage the risk.

QUALIFICATIONS AND QUALITY ASSURANCE AUTHORITY OF IRELAND

STATEMENT ON INTERNAL CONTROL

(CONTINUED)

RISK AND CONTROL FRAMEWORK

The system of internal controls is based on a framework of regular management information, a system of delegation and accountability, a set of financial procedures, administrative procedures including segregation of duties and rigorous ongoing checks by the finance function. In particular, it includes:

- A comprehensive budgeting system with an annual budget, which is reviewed and approved by the members of the Authority.
- Setting authorisation limits for the disbursement of the Authority's funds.
- Regular review by the members of the Authority of periodic and annual financial information and reports (including management accounts), which indicate financial performance against budgets.

The Audit and Risk Committee was established in 2013. The Audit and Risk Committee met four times in 2020.

The Authority's monitoring and review of the effectiveness of the system of internal control was informed by the Internal Auditor, the Audit and Risk Committee which oversees the work of the Internal Auditor, and the executive managers within the organisation who have responsibility for the development and maintenance of the financial control framework.

Mechanisms for ensuring the adequacy of the security of the Information and Communication Technology (ICT) systems that included the establishment of appropriate policies and control procedures had been established.

IMPACT OF COVID-19 PANDEMIC TO THE CONTROL ENVIRONMENT

The onset of the COVID 19 pandemic in early 2020, and the resulting public health advice and safety measures rapidly changed the working practices of QQI. QQI has monitored COVID developments closely, looking to mitigate any related risks that may impact QQI's business operations, staff and stakeholders. Actions taken by QQI include: -

- Transition the Authority, management and staff of QQI to a remote environment for the purpose of making business decisions and continuing business operations
- Undertaking Occupational Health Assessments of all staff working remotely to ensure that their work environment is appropriate.
- Implementing necessary adaptations and changed work practices to limit the requirement to attend QQI's physical offices.
- Changing the physical office environment and adapting it in line with best practice.
- Continual assessment of significant risks pertaining to the Covid-19 pandemic and the ability of QQI to respond effectively.
- Increasing ICT capacity and security protocols to support remote working
- Ensuring robust segregation of duties remains and adequate cover is in place should specific approving authorities be unavailable.
- Ensuring all existing data protection and records management policies and procedures continue to apply as normal.
- Assessing potential for weaknesses in internal controls resulting from COVID-19 and taking measures or adapting/updating processes and internal controls where necessary.

The Authority is of the opinion that there has been no material change to the operation of the internal control environment in QQI as a result of Covid-19.

QUALIFICATIONS AND QUALITY ASSURANCE AUTHORITY OF IRELAND

STATEMENT ON INTERNAL CONTROL

(CONTINUED)

ONGOING MONITORING AND REVIEW

Formal procedures have been established for monitoring control processes and control deficiencies are communicated to those responsible for taking corrective action and to management in a timely way. We confirm that the following ongoing monitoring systems are in place:

- key risks and related controls have been identified and processes have been put in place to monitor the operation of those key controls and report any identified deficiencies,
- reporting arrangements have been established at all levels where responsibility for financial management has been assigned, and
- there are regular reviews by the executive management team of periodic and annual performance and financial reports which indicate performance against budgets/forecasts.

PROCUREMENT

We confirm that the Qualifications and Quality Assurance Authority of Ireland has procedures in place to endeavor to ensure compliance with current procurement rules and guidelines. Matters arising regarding controls over procurement are highlighted in the table on page 16.

ANNUAL REVIEW FOR THE YEAR ENDED 31 DECEMBER 2020

We confirm that the Authority conducted a review of the effectiveness of the system of internal control in respect of the financial year ended 31 December 2020.

REVIEW OF EFFECTIVENESS

The Statement on System of Internal controls has been reviewed by the Audit and Risk Committee and the Authority to ensure it accurately reflects the control system in operation during the reporting period.

A review of internal controls in 2020 was carried out by an external firm and signed off by the Authority in 2021.

The Authority is reasonably assured that the systems of internal control instituted and implemented in the Qualifications and Quality Assurance Authority of Ireland for the financial year ended 31st December 2020 are effective.

QUALIFICATIONS AND QUALITY ASSURANCE AUTHORITY OF IRELAND

STATEMENT ON INTERNAL CONTROL

(CONTINUED)

INTERNAL CONTROL ISSUES

DISCLOSURE OF DETAILS REGARDING INSTANCES WHERE BREACHES IN CONTROL HAS OCCURRED

Details of breaches	Mitigating actions
<p>There were three instances of spending which did not comply with public procurement guidelines. The spend was:</p> <ul style="list-style-type: none">• Design - € 16,439• Printing - € 24,180• Legal - €6,088	<p>QQI sought the assistance of the OGP with the design contract. Following lengthy discussions with OGP, OGP eventually confirmed that they could not assist. QQI tendered for the design contract and the design contract was finally awarded in Nov 2020.</p> <p>The print contract was awarded in May 2020 using the OGP framework.</p> <p>QQI's spend on legal expenses is low. QQI has prepared a tender for legal services which will be issued when the OGP confirms the new framework is in place.</p>

Signed on behalf of the Qualifications and Quality Assurance Authority of Ireland:

Ms. Joanne Harmon
Chairperson

Date

Dr. Padraig Walsh
Chief Executive

Date

QUALIFICATIONS AND QUALITY ASSURANCE AUTHORITY OF IRELAND
STATEMENT OF INCOME AND EXPENDITURE AND RETAINED REVENUE RESERVES
FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	2020 €	2019 €
INCOME			
Grant	2	4,609,516	4,516,000
Fee Income	3	5,293,674	5,644,120
EU Projects Income	4	33,853	1,059,478
Other Income	5	25,407	33,245
		9,962,450	11,252,843
Net Deferred Funding for Pensions	24(b)	1,403,000	1,934,000
		11,365,450	13,186,843
EXPENDITURE			
Staff Costs	6	7,320,821	6,969,886
Accommodation Costs	9	688,506	703,702
Member Costs	7	1,587	26,755
Corporate Services	10	419,019	329,979
Qualifax	11	10,102	22,249
Panel Fees and Expenses	12	289,103	426,794
EQAVET Project Expenditure	4(a)	-	489,360
Central Administration Costs	13	327,610	688,514
Information Communications Technology	14	2,112,109	2,016,357
Depreciation	15	216,713	259,147
		11,385,570	11,932,743
(DEFICIT) / SURPLUS FOR THE YEAR		(20,120)	1,254,100
Transfer from Capital Account	19	140,116	413,729
Balance Brought Forward at 1 January		2,522,996	855,167
Balance Carried Forward at 31 December		2,642,992	2,522,996

The Statement of Cash Flows and notes 1 - 26 form part of these financial statements. All income and expenditure for the year relates to continuing activities.

Ms. Joanne Harmon
Chairperson

Dr. Padraig Walsh
Chief Executive

Date

Date

QUALIFICATIONS AND QUALITY ASSURANCE AUTHORITY OF IRELAND

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Note	2020	2019
		€	€
SURPLUS / (DEFICIT) FOR THE FINANCIAL PERIOD		(20,120)	1,254,100
Experience (losses) / gains on pension scheme	24(f)	98,000	966,000
Changes in assumptions underlying the present value of pension scheme liabilities		(2,911,000)	(3,994,000)
Transfer of services from another public service employer	24(g)	-	-
Actuarial (losses) on pension liabilities		(2,813,000)	(3,028,000)
Adjustment to deferred pension funding	24(e)	2,813,000	3,028,000
Total comprehensive income for the year		(20,120)	1,254,100

The Statement of Cash Flows and notes 1 - 26 form part of these financial statements.

Ms. Joanne Harmon
Chairperson

Dr. Padraig Walsh
Chief Executive

Date

Date

QUALIFICATIONS AND QUALITY ASSURANCE AUTHORITY OF IRELAND

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020

	Note	As at 31December 2020 €	As at 31December 2019 €
FIXED ASSETS			
Property, Plant and Equipment	16	400,983	541,099
CURRENT ASSETS			
Receivables	17	1,797,683	2,182,668
Cash and Cash Equivalents		1,805,009	1,181,132
		3,602,692	3,363,800
CREDITORS (AMOUNTS FALLING DUE WITHIN ONE YEAR)			
Payables	18	(959,700)	(840,804)
NET CURRENT ASSETS		2,642,992	2,522,996
TOTAL ASSETS LESS LIABILITIES BEFORE PENSIONS		3,043,975	3,064,095
Deferred Pension Funding	24(d)	53,349,000	49,133,000
Pension Liabilities	24(e)	(53,349,000)	(49,133,000)
NET ASSETS		3,043,975	3,064,095
REPRESENTED BY:			
Capital Account	19	400,983	541,099
Retained Revenue Reserve		2,642,992	2,522,996
		3,043,975	3,064,095

The Statement of Cash Flows and notes 1 - 26 form part of these financial statements.

Ms. Joanne Harmon
Chairperson

Dr. Padraig Walsh
Chief Executive

Date

Date

**QUALIFICATIONS AND
QUALITY ASSURANCE AUTHORITY OF IRELAND**

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Note	2020 €	2019 €
Net cash inflow from operating activities			
(Deficit) / Surplus for the year		(20,120)	1,254,100
Depreciation	15	216,713	259,147
Impairment of fixed assets		-	197,673
Decrease / (Increase) in receivables	17	384,985	(965,478)
Increase / (Decrease) in payables	18	118,896	(741,366)
(Decrease) in provision		-	(160,000)
<hr/>			
STATEMENT OF CASH FLOWS			
Net cash (outflow) / inflow from operating activities		700,474	(155,924)
Cash flows from investing activities			
Payments to acquire fixed assets		(76,597)	(43,091)
<hr/>			
Increase / (Decrease) in cash and cash equivalents		623,877	(199,015)
<hr/> <hr/>			
Cash and cash equivalents at the beginning of the year		1,181,132	1,380,147
Increase / (Decrease) in cash and cash equivalents		623,877	(199,015)
Cash and cash equivalents at the end of the year		1,805,009	1,181,132

QUALIFICATIONS AND QUALITY ASSURANCE AUTHORITY OF IRELAND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1. ACCOUNTING POLICIES

The basis of accounting and significant accounting policies adopted by the Qualifications and Quality Assurance Authority of Ireland (QQI) are set out below. They have been applied consistently throughout the year and for the preceding year.

a) GENERAL

The Qualifications and Quality Assurance Authority of Ireland was established on 6 November 2012, by the Minister for Further and Higher Education, Research, Innovation and Science, under Section 7 of the Qualifications and Quality Assurance (Education and Training) Act, 2012.

The objectives of the Authority are as follows:

- Quality assure providers of further and higher education and training and their research and related service.
- Promote, develop and maintain the National Framework of Qualifications.
- Validate programmes and awards.
- Inform the public about the quality of education and training programmes and qualifications.
- Advise the Minister for Further and Higher Education, Research, Innovation and Science in relation to national policy on quality assurance and enhancement in education and training.

The Qualifications and Quality Assurance (Education and Training) (Amendment) Act 2019 amends and extends the 2012 Act. Specifically, the 2019 Act

- makes fresh provision concerning the means by which an award's status, with reference to the National Framework of Qualifications, may be established;
- provides for the establishment of a category of awarding bodies known as "*listed awarding bodies*";
- to provide for a requirement that criteria specified in regulations must be met, including criteria for the purpose of affording a reasonable assurance to QQI that a provider has the capacity and capability to provide programmes of education and training consistent with the requirements of that Act;
- provides for the establishment of a "*Protection of Enrolled Learners Fund*", into which an annual charge by certain providers must be paid and from which moneys may, in cases of default in delivery of certain programmes, be paid so to enable enrolled learners complete the programme concerned or so as to be used for certain other purposes;
- makes further provision regarding authorisation to use the International Education Mark (IEM);
- adds to the cases in which a provider may be authorised to describe itself as a "university" and, for that purpose, to amend the Universities Act 1997; and to provide for related matters.

In relation to English Language Teaching Organisations (ELTOs), the accreditation and Coordination of English Language Services (ACELS) is administered by QQI. It is a national, voluntary scheme for English language teaching organisations and is a non-statutory service of QQI that will be superseded by the International Education Mark (IEM). The establishment and implementation of an International Education Mark (IEM) is provided for under the Qualification and Quality Assurance (Education and Training) Act 2012.

A High Court case in December 2014 relating to the connected policy area of international student immigration regulations has impacted on the anticipated implementation schedule for the IEM. It has also led to a further examination of the 2012 Act in order to ensure that the bases upon which the IEM will be introduced are sufficiently secure. The Attorney General advised in 2015 that the legislation needed to be amended to give full effect to the secure introduction of the IEM.

b) STATEMENT OF COMPLIANCE

The financial statements of the Qualifications and Quality Assurance Authority of Ireland for the year ended 31 December 2020 have been prepared in accordance with FRS 102, the financial reporting standard applicable in the UK and Ireland issued by the Financial Reporting Council (FRC), as promulgated by Chartered Accountants Ireland.

QUALIFICATIONS AND QUALITY ASSURANCE AUTHORITY OF IRELAND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

c) BASIS OF PREPARATION

The financial statements have been prepared under the historical cost convention, except for certain assets and liabilities that are measured at fair values as explained in the accounting policies below.

The Financial Statements are in the form approved by the Minister for Further and Higher Education, Research, Innovation and Science with the concurrence of the Minister for Public Expenditure and Reform under the Qualifications and Quality Assurance (Education and Training) Act, 2012.

The Financial Statements are prepared in Euro which is the functional currency of the Authority. The following policies have been applied consistently in dealing with items which are considered material in relation to the Qualifications and Quality Assurance Authority of Ireland's financial statements.

d) REVENUE

Revenue is generally recognised on an accruals basis. One exception to this is in the case of Annual VOTE income which is recognised on a cash receipts basis. Other Government revenue grants are recognised as income and deferred over the periods necessary to match them with the related costs which they are intended to compensate.

e) FEE INCOME

Income shown in the financial statements under Fee Income represents amounts invoiced to third parties in the ordinary course of business. Income is deferred where a fee has been raised and the provision of the service has not commenced.

f) SOFTWARE DEVELOPMENT

Software development costs on major systems are treated as capital items and are written off over the period of their expected useful life from the date of their implementation.

g) PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated at cost less accumulated depreciation, adjusted for any provision for impairment. Depreciation is provided on all property, plant and equipment at rates estimated to write off the cost less the estimated residual value of each asset on a straight-line basis over their estimated useful lives, as follows:

Leasehold Buildings (Denzille Lane)	Over lease term of 21 years
Capitalised VAT on Lease	Over lease term of 21 years
Computer Hardware	33.33%
Computer Software	12.5%
Office Equipment	20%
Office Furniture	10%
Fixtures, Fittings & Telephone	10%

The residual value and useful lives of fixed assets are considered annually for indicators that these may have changed. Where such indicators are present, a review will be carried out of the residual value, depreciation method and useful lives, and these will be amended if necessary. Changes in depreciation rates arising from this review are accounted for prospectively over the remaining useful lives of the assets.

QUALIFICATIONS AND QUALITY ASSURANCE AUTHORITY OF IRELAND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

h) CAPITAL GRANTS

Capital grants received by the Authority are recognised as a liability and released to income over the expected useful life of the related assets.

i) CASH AND CASH EQUIVALENTS

Cash consists of cash on hand and demand deposits.

j) FOREIGN CURRENCIES

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

k) EMPLOYEE BENEFITS

Short-term Benefits

Short term benefits such as holiday pay are recognised as an expense in the year, and benefits that are accrued at year-end are included in the Payables figure in the Statement of Financial Position.

Retirement Benefits

Qualifications and Quality Assurance Authority of Ireland previously established its own defined benefit pension scheme, funded annually on a pay-as-you-go basis from monies provided by the Department of Education and Skills and from contributions deducted from staff and members' salaries. Qualifications and Quality Assurance Authority of Ireland also operates the Single Public Services Pension Scheme ("Single Scheme"), which is a defined benefit scheme for pensionable public servants appointed on or after 1 January 2013. Single Scheme members' contributions are paid over to the Department of Public Expenditure and Reform (DPER).

Pension costs reflect pension benefits earned by employees and are shown net of staff pension contributions which are remitted to the Department of Education and Skills. An amount corresponding to the pension charge is recognised as income to the extent that it is recoverable and offset by grants received in the year to discharge pension payments.

Actuarial gains or losses arising on scheme liabilities are reflected in the Statement of Comprehensive Income, and a corresponding adjustment is recognised in the amount recoverable from the Department of Education and Skills.

The financial statements reflect, at fair value, the assets and liabilities arising from Qualifications and Quality Assurance Authority of Ireland's pension obligations and any related funding and recognises the costs of providing pension benefits in the accounting periods in which they are earned by employees. Retirement benefit scheme liabilities are measured on an actuarial basis using the projected unit credit method.

QUALIFICATIONS AND QUALITY ASSURANCE AUTHORITY OF IRELAND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

l) RECEIVABLES

Receivables are recognised at fair value, less a provision for doubtful debts. The provision for doubtful debts is a specific provision and is established when there is objective evidence that the Qualifications and Quality Assurance Authority of Ireland will not be able to collect all amounts owed to it. All movements in the provision for doubtful debts are recognised in the Statement of Income and Expenditure and Retained Revenue Reserves.

m) OTHER FINANCIAL LIABILITIES

Trade creditors are measured at invoice price, unless payment is deferred beyond normal business terms or is financed at a rate of interest that is not market rate. In this case the arrangement constitutes a financing transaction, and the financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

n) LEASES

Rental expenditure under operating leases is recognised in the Statement of Income and Expenditure and Retained Revenue Reserves over the life of the lease. Expenditure is recognised on a straight-line basis over the lease period except where there are rental increases linked to the expected rate of inflation, in which case these increases are recognised when incurred. Any lease incentives received are recognised over the life of the lease.

o) CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the reporting date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements have had the most significant effect on amounts recognised in the financial statements.

I. Establishing lives for depreciation purposes of property, plant and equipment

Long lived assets, consisting primarily of property, plant and equipment, comprise a significant portion of the total assets. The annual depreciation charge depends primarily on the estimated lives of each type of asset and estimates of residual values. The Authority regularly review these asset lives and change them as necessary to reflect current thinking on remaining lives in light of prospective economic utilisation and physical condition of the assets concerned. Changes in asset lives can have a significant impact on depreciation charges for the period. Detail of the useful lives is included in the accounting policies.

II. Provisions

Provisions are recognised when the Authority has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount of the obligation can be estimated reliably.

III. Contingencies

Contingent liabilities, arising as a result of past events, are not recognised when (i) it is not probable that there will be an outflow of resources or that the amount cannot be reliably measured at the reporting date or (ii) when the existence will be confirmed by the occurrence or non-occurrence of uncertain future events not wholly within the Authority's control. Contingent liabilities are disclosed in the financial statements unless the probability of an outflow of resources is remote.

Contingent assets are not provided for. Contingent assets are disclosed in the financial statements when an inflow of economic benefits is probable.

QUALIFICATIONS AND QUALITY ASSURANCE AUTHORITY OF IRELAND

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

	2020	2019
	€	€
2. GRANT		
Grant towards Administration – Department of Education and Skills - Vote 26; Subhead B.6		
- Pay	1,979,000	1,979,000
- Pensions	600,000	600,000
- Non-Pay	2,000,000	1,937,000
	4,579,000	4,516,000
- Grant towards COVID and related costs	30,516	-
Net Income Receivable	4,609,516	4,516,000
	2020	2019
	€	€
3. FEE INCOME		
Award Fees	3,783,026	3,990,630
ACELS	33,248	105,260
Validation Fees	638,900	672,230
Relationship Fees	838,500	876,000
	5,293,674	5,644,120

AWARD FEES

QQI is the national awarding body for accredited courses run by recognised further and higher education colleges. A schedule of award fees has been approved by the Minister for Further and Higher Education, Research, Innovation and Science and fees are collected from candidates by the relevant further and higher education colleges and paid over to QQI. There are a number of criteria where payment of fees are exempt, including for holders of Medical Cards, Youthreach or VTOS students and candidates for NFQ Level awards 1 to 3.

ACCREDITATION AND CO-ORDINATION OF ENGLISH LANGUAGE SERVICES (ACELS)

ACELS is the national body responsible for the development and management of an inspection/ recognition scheme for English Language Teaching Organisations (ELTOs) nationally. All recognised ELTOs are listed on the ACELS website. ELTOs are required to pay an annual renewal of recognition fee depending on the number of centres in operation. Fees are also chargeable for inspection of new centres and periodic inspections of existing centres.

VALIDATION FEES

Validation is the quality assurance process through which QQI evaluates programmes to ensure they meet the required standards of the award on offer. Learners can then be assured that the programme meets their needs. Fees are payable by providers of Further and Higher Education for this service. The applicable fee is determined whether a programme leads to a major or minor award and the credit value of the award.

RELATIONSHIP FEES

Relationship fees are fees charged to public Universities and Institutes of Technology for services provided by QQI such as Quality Assurance Services. Under Section 80 of the Qualifications and Quality Assurance (Education and Training) Act 2012, consent of the Minister for Further and Higher Education, Research, Innovation and Science and the Minister for Public Expenditure and Reform to charge such fees is required. Consent was received in October 2013 and the collection of the fees commenced in 2014. Ministerial sanction was received in October 2016 to reconfigure the fees charged.

QUALIFICATIONS AND QUALITY ASSURANCE AUTHORITY OF IRELAND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

	2020	2019
	€	€
4. EU PROJECTS INCOME		
QZI for National Europass Centre	-	134,534
VISKA	15,468	-
EQAVET	18,385	-
EQAVET (Secretariat)	-	924,944
	33,853	1,059,478

NATIONAL EUROPASS CENTRE

National Europass Centre is an EU initiative which aims to help people make their skills and qualifications easily understood in Europe thereby facilitating the mobility of Learners and Workers. A network of National Europass Centres has been established throughout Europe in order to co-ordinate the initiative. In Ireland QQI is the designated National Europass Centre. Expenditure incurred in respect of Europass amounted to €130,464 (2019: €153,800).

EQF - NCP

QQI is designated as European Qualifications Framework (EQF) – National Coordination Point for Ireland (NCP). This involves participating in the development of the EQF and associated policy at European level and the implementation of EQF policy at national level. QQI applies annually for financial assistance to implement agreed actions as EQF-NCP under Erasmus+, the EU Programme for Education.

EQAVET

The European Quality Assurance in Vocational Education and Training (EQAVET) Secretariat contract was awarded to FETAC by the European Commission, following a tendering competition, and commenced work on implementing European Quality Assurance guidelines in 2010. The functions of FETAC were assumed into QQI. The original contract was for 3 years and was renewed continually to end 2015. A second contract commenced on 1 January 2016 for a two-year period to 31 December 2017. This was extended for a further two-year period to 31 December 2019.

IQAVET PROJECT

IQAVET is the Irish practitioner network for Quality Assurance in VET and is the National Reference Point (NRP) for EQAVET which is based at QQI. An important aspect of the project was to help promote and leverage EQAVET principles and indicators to enhance quality in ETB and other VET provision. The project received Erasmus+ funding and activity began in April 2016, facilitated by QQI through the ETBI Quality Assurance Forum and the Further Education Support Service.

EQAREP PROJECT

The European Higher Education through Public Quality Assurance Reports (EQAREP) project's primary objective was to develop guidelines for external Quality Assurance reports. QQI were partners on this project and conducted surveys and analysis of reports.

QUALIFICATIONS AND QUALITY ASSURANCE AUTHORITY OF IRELAND

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

	2020	2019
	€	€
4(a) EQAVET PROJECT INCOME		
European Commission	-	924,944
EQAVET PROJECT EXPENDITURE		
Salaries and Wages	-	164,170
Programmes	-	325,190
	-	489,360

	2020	2019
	€	€
(b) EQAVET SUMMARY		
Receipts from EU Commission and participating member states	-	924,944
Allocated income to meet expenditure	-	(489,360)
Recognised Contribution to QQI at period end	-	435,584

	2020	2019
	€	€
5. OTHER INCOME		
Prompt Payment Interest	494	995
Seminars and Conference Fees	21,557	32,250
Other Income	3,356	-
	25,407	33,245

	Note	2020	2019
		€	€
6. STAFF COSTS			
Salaries and Wages		4,550,060	3,960,245
Employers Contribution to Social Welfare		426,966	377,143
Staff Development Costs		55,389	62,731
Domestic Travel and Subsistence		8,846	35,511
Foreign Travel and Subsistence		1,039	44,405
Retirement Benefit Costs	24(c)	2,120,776	2,337,415
Secondment		86,821	104,302
Hospitality and Staff Welfare		12,116	7,762
Recruitment Costs		58,808	40,372
		7,320,821	6,969,886

QUALIFICATIONS AND QUALITY ASSURANCE AUTHORITY OF IRELAND

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

Gross salary costs of €5,338,856 (2019: €4,910,828) were offset by recoupments of €361,830 (2019: €413,440) in respect of members of the Qualifications and Quality Assurance Authority of Ireland's staff who were redeployed through secondment arrangements to the Technological Higher Education Association, Education and Training Boards Ireland and the Department of Education and Skills.

€210,915 (2019: €220,083) of pension levy has been deducted from salaries and has been paid over to the Department of Education and Skills during the period. €29,120 (2019: €15,006) of pension contributions in respect of the Single Public Service Pension Scheme has been deducted from salaries and has been paid over to the Department of Public Expenditure and Reform during the period.

QQI is required to operate within the Employment Control Framework (ECF) ceiling. QQI's current approved ECF ceiling is 84 WTE. The average number of employees during the year was 80. (2019: 81). QQI employed 76 WTE at the end of 2020. (2019:76). No overtime or allowance were paid in the period. There were no termination payments in the period.

Employee short term benefits in excess of €60,000 are categorised in the following bands;

Range of total employee benefits		Number of Employees	
		2020	2019
From	To		
€60,000	- €69,999	7	4
€70,000	- €79,999	1	3
€80,000	- €89,999	4	4
€90,000	- €99,999	2	2
€100,000	- €109,999	14	13
€110,000	- €119,999	1	-
€120,000	- €129,999	-	-
€130,000	- €139,999	-	1

For the purposes of this disclosure, short term employee benefits in relation to services rendered during the reporting period include salary but exclude employers PRSI. QQI did not pay overtime or allowances in the period.

KEY MANAGEMENT PERSONNEL

Key management personnel in QQI consists of the members of the Authority, the Chief Executive Officer and the members of the executive management team. The total value of employee benefits for key management personnel is set out below;

	2020	2019
	€	€
Key Management Personnel	767,542	774,968

QUALIFICATIONS AND QUALITY ASSURANCE AUTHORITY OF IRELAND

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

7. AUTHORITY MEMBER COSTS	2020	2019
	€	€
Authority Member Training Costs	-	-
	<hr/>	<hr/>
<u>Authority Members – Travel and Subsistence</u>		
Domestic Travel	855	9,256
Foreign Travel	732	7,794
Subsistence/Meals	-	393
Accommodation	-	6,198
	<hr/>	<hr/>
	1,587	23,641
Committee meetings, travel and subsistence	-	3,114
	<hr/>	<hr/>
	1,587	26,755

No fees were paid to members of the Authority for the year 1st January 2020 to 31st December 2020.

8. CHIEF EXECUTIVE OFFICERS' REMUNERATION	2020	2019
	€	€
Basic Salaries for the period		
- Dr. Padraig Walsh	116,075	148,948
- Ms. Cliona Curley	28,846	-
All-in cost of the Chief Executive Officers' total remuneration packages	<hr/>	<hr/>
	144,921	148,948

Following the expiry of his contract, Dr. Padraig Walsh retired from the position of Chief Executive Officer on 30 September 2020. Ms Cliona Curley was appointed Interim Chief Executive with effect from 1 October 2020.

Dr. Padraig Walsh had vouched expenses in respect of Travel & Subsistence totalling €78 in 2020 (2019: €8,786). Ms. Cliona Curley has no vouched expenses in 2020.

The Chief Executive Officers received no performance related pay during the period.

The Chief Executive Officers' pension entitlements do not extend beyond the standard entitlement in the model public sector defined benefit superannuation scheme.

QUALIFICATIONS AND QUALITY ASSURANCE AUTHORITY OF IRELAND

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

9. ACCOMMODATION COSTS	2020	2019
	€	€
Rent		
Denzille Lane	367,500	367,500
Lower Mount Street	81,613	85,069
Lower Mount Street (Licence)	100,460	102,123
	<hr/>	<hr/>
	549,573	554,692
Service Charges on leased premises	28,821	22,607
Security	9,378	3,770
Insurance	22,888	25,925
Light and Heat	25,105	27,531
Cleaning	17,017	43,856
Rates	1,397	5,268
Repairs and Maintenance	34,327	20,053
	<hr/>	<hr/>
	688,506	703,702

10. CORPORATE SERVICES	2020	2019
	€	€
Payroll Processing and Accountancy Supports	27,533	15,228
Actuarial Fees	2,723	2,460
Audit Fees	21,000	24,000
Internal Audit Fees	40,087	26,205
Legal Fees	25,080	17,009
Professional Fees		
- General	19,378	32,134
- Information technology plan	-	59,462
- Support to National Student Engagement Programme	60,000	54,536
- Funding Model	9,840	19,680
- Level 1-4 Awards Review	62,848	-
- Level 6 Awards Review	25,925	-
- Modifications to TLA arising from COVID	26,625	-
- ENQA Review	-	34,259
- Board effectiveness review	2,595	-
Promotion and Brand Awareness	3,949	7,556
Public Relations	38,621	1,125
Advertising	43,116	27,359
Languages and Translation	-	519
Health and Safety	9,698	8,447
	<hr/>	<hr/>
	419,018	329,979

11. QUALIFAX

Qualifax provides comprehensive information on further and higher education and information needed to make informed choices about education, training and career choices.

QUALIFICATIONS AND QUALITY ASSURANCE AUTHORITY OF IRELAND

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

	2020	2019
	€	€
12. PANEL FEES AND TRAVEL EXPENSES		
Panel Training	4,578	
Qualification and Quality Assurance Services	263,443	375,658
Research Projects	20,625	16,100
Parchments	457	35,036
	289,103	426,794

	2020	2019
	€	€
13. CENTRAL ADMINISTRATION COSTS		
Telephone – Land Line	4,886	5,375
Telephone – Mobile	29,420	36,639
Postage and Courier	25,243	34,193
Stationery and Storage	15,924	26,778
Seminars and Conferences	15,037	6,676
Library and Periodicals	2,117	4,703
Subscriptions	56,027	33,657
Publications	64,591	126,749
Canteen	6,484	13,120
Conference Expenses and Events	45,525	112,414
Lease/Hire of Office Equipment	881	886
General Office Expenses	16,337	13,713
Bank Charges	2,698	2,829
Photocopying	5,514	9,607
Sponsorship and Donations	15,002	3,500
HR Supports	20,892	57,800
EQARF Fees	1,032	2,202
Loss on Disposal of Fixed Assets	-	197,673
	327,610	688,514

QUALIFICATIONS AND QUALITY ASSURANCE AUTHORITY OF IRELAND

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

	2020	2019
14. INFORMATION COMMUNICATIONS TECHNOLOGY	€	€
IT Software Maintenance and Support	153,610	215,798
IT Software Expenditure/Licensing (Under €1,000)	123,718	22,348
IT Web Services*	1,674	3,844
IT Co-Location/Hosting*	71,620	211,783
IT Computer Hardware Supplies (Under €1,000)	10,457	17,107
Software Support Contractors*	559,556	428,283
Managed Services*	1,191,474	1,095,054
IT Security Audit		22,140
	2,112,109	2,016,357

*QQI provides access to its QBS system to over 700 provider account holders who interact in terms of submissions for awards and certification services, accessing up to date information and submitting queries through a Customer Relationship Management (CRM) system.

	2020	2019
15. DEPRECIATION	€	€
Office Equipment Depreciation	10,605	5,725
IT Hardware Depreciation	48,879	24,345
Office Fixture and Fittings Depreciation	32,453	27,838
Leasehold Property Depreciation	2,267	26,250
IT Software Depreciation	12,535	65,240
Fit Out Costs Depreciation	109,974	109,749
	216,713	259,147

QUALIFICATIONS AND QUALITY ASSURANCE AUTHORITY OF IRELAND

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

16. FIXED ASSETS

	Leasehold Property €	Fit Out Costs €	Office Furniture €	Office Equipment €	IT Hardware €	IT Software €	Total €
Cost							
At 1 st January 2020	2,487,710	1,097,927	636,811	194,108	283,832	4,268,318	8,968,706
Additions	-	-	-	-	76,597	-	76,597
Disposals	-	-	(12,720)	(51,341)	-	-	(64,061)
At 31 st December 2020	<u>2,487,710</u>	<u>1,097,927</u>	<u>624,091</u>	<u>142,767</u>	<u>360,429</u>	<u>4,268,318</u>	<u>8,981,242</u>
Depreciation							
At 1 st January 2020	2,485,443	768,394	504,128	180,047	248,475	4,241,120	8,427,607
Charge for the year	2,267	109,974	32,453	10,605	48,879	12,535	216,713
Disposals	-	-	(12,720)	(51,341)	-	-	(64,061)
At 31 st December 2020	<u>2,487,710</u>	<u>878,369</u>	<u>523,861</u>	<u>139,311</u>	<u>297,354</u>	<u>4,253,655</u>	<u>8,580,259</u>
Net Book Value							
At 31 st December 2020	<u>-</u>	<u>219,559</u>	<u>100,230</u>	<u>3,456</u>	<u>63,075</u>	<u>14,663</u>	<u>400,983</u>
At 31 st December 2019	<u>2,267</u>	<u>329,533</u>	<u>132,683</u>	<u>14,061</u>	<u>35,357</u>	<u>27,198</u>	<u>541,099</u>

QUALIFICATIONS AND QUALITY ASSURANCE AUTHORITY OF IRELAND

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

17.	RECEIVABLES	As at	As at
		31 December 2020	31 December 2019
		€	€
	Debtors	1,129,589	1,133,290
	Provision for bad debts	(24,057)	(34,988)
		1,105,532	1,098,302
	Prepayments	295,167	326,507
	Accrued Income	380,310	316,330
	Other Debtors	16,674	66,675
	EU Grant Receivable	-	374,854
		1,797,683	2,182,668

The fair values of debtors and prepayments approximate to their carrying amounts. All debtors are due within one year. Debtors are shown net of impairment in respect of doubtful debts.

18.	AMOUNTS DUE WITHIN ONE YEAR	As at	As at
		31 December 2020	31 December 2019
		€	€
	Creditors	62,059	296,170
	Accruals	385,866	393,739
	PAYE/PRSI	144,985	133,515
	Professional Services Withholding Tax	3,444	17,380
	Deferred Income	363,346	-
		959,700	840,804

Tax and social insurance are subject to the terms of the relevant legislation. Interest accrues on late payment. No interest was due at the financial year end date. The terms of accruals are based on the underlying contracts. Other amounts included within creditors not covered by specific note disclosures are unsecured, interest free and repayable on demand.

Included in deferred income of €363,346 is €309,484 received from DFHERIS but unspent at year end to support QQI's COVID response. It also includes €24,362 in respect of ACELS fees and €29,500 in respect of validation fees raised in advance where work had not yet commenced.

QUALIFICATIONS AND QUALITY ASSURANCE AUTHORITY OF IRELAND

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

19. CAPITAL ACCOUNT	As at 31 December 2020 €	As at 31 December 2019 €
Balance at start of period	541,099	954,828
Grant used to acquire fixed assets	76,597	43,091
Amortisation in line with asset depreciation	(216,713)	(259,147)
Amount released on disposal of fixed assets'	-	(197,673)
	<u>(216,713)</u>	<u>(456,820)</u>
Released to income and expenditure account	140,116	413,729
	<u>400,983</u>	<u>541,099</u>

In accordance with accounting policy, Government grants are recognised based on the accruals model. These grants, which are for the purchase of property, plant and equipment are recognised over the useful life of the assets. There are no unfulfilled conditions or contingencies attached to these grants.

20. LEASES

Denzille Lane

The Authority has commitments payable up to the year 2023 in respect of a 21-year lease for office accommodation at 26 – 27 Denzille Lane, Dublin 2. Rent reviews are carried out every 6 years and the current rent is €367,500 (2019: €367,500) per annum.

Lower Mount Street

Since its establishment in November 2012, QQI has been renting the Ground Floor at 9–11, Lower Mount Street from the Irish Universities Quality Board (IUQB) and in turn the IUQB were tenants of the Irish Universities Association (IUA).

On 5 February 2016, the IUQB was voluntarily struck off the Companies Register and, leading up to the strike off, QQI had been in discussions with the IUA and the lead landlord with a view to transferring the lease to QQI. Legal documents of assignment were signed by QQI and the IUA in 2015. The current rent is €81,612 per annum (2019: €81,612).

QQI holds a licence for the use of the Top Floor of 9-11, Lower Mount Street. The current licence fee is €100,460 (2019: €102,123).

At 31 December, 2020, QQI had the following future minimum lease payments under non-cancellable operating leases for the of the following periods.

	€
Payable within one year	549,573
Payable within two to five years	1,008,109
Payable after five years	-
	<u>1,557,682</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

21. CAPITAL COMMITMENTS

There were no capital commitments at 31 December 2020.

22. CORPORATION TAX

The Authority is not liable for corporation tax.

23. RELATED PARTY DISCLOSURES

The Authority adopted procedures in accordance with guidelines issued by the Department of Public Expenditure and Reform in relation to the disclosure of interests by Authority members and these procedures have been adhered to. There were no transactions in relation to the Authority's activities in which members had any beneficial interests.

Key management personnel in QQI consist of the Senior Executive and members of the Authority. Authority members do not receive a fee for their service. Total compensation paid to key management personnel and total CEO remuneration, amounted to €767,542 (2019: €774,968).

24. PENSION COSTS

a. DEFINED BENEFIT PENSION SCHEME

The Authority operates a defined benefits scheme which is unfunded. The Authority also operates the Single Public Service Pension Scheme (Single Scheme) which is the defined benefit pension scheme for pensionable public servants appointed on or after 1 January 2013 in accordance with the Public Service Pension (Single Scheme and Other Provisions) Act 2012. The scheme provides for a pension and retirement lump sum based on career-average pensionable remuneration, and spouse's and children's pensions. The minimum pension age is 66 years (rising in line with State pension age changes). It includes an actuarially-reduced early retirement facility from age 55. Pensions in payment increase in line with the consumer price index.

The valuation used for disclosures has been based on a full actuarial valuation by a qualified independent actuary in order to assess the scheme liabilities as at 31st December 2020. The financial assumptions used to calculate scheme liabilities are:

	2020	2019
	%	%
Discount rate	1.00%	1.35%
Salary increase assumptions	2.85%	2.95%
Pension increase assumptions	2.35%	2.45%
Price inflation	1.35%	1.45%

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**NOTES TO THE FINANCIAL STATEMENTS
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b. NET DEFERRED FUNDING FOR PENSIONS IN YEAR

	2020	2019
	€	€
Funding recoverable in respect of current year pension costs	2,414,000	2,626,000
State grant applied to pay pensioners	<u>(1,011,000)</u>	<u>(692,000)</u>
	<u>1,403,000</u>	<u>1,934,000</u>

c. ANALYSIS OF TOTAL PENSION COSTS CHARGED TO EXPENDITURE

	2020	2019
	€	€
Current service cost	1,746,000	1,688,000
Interest on Pension Scheme liabilities	668,000	938,000
Employee superannuation contributions retained	<u>(293,224)</u>	<u>(288,585)</u>
	<u>2,120,776</u>	<u>2,337,415</u>

d. DEFERRED FUNDING ASSET FOR PENSIONS

The Authority recognises amounts owing from the State for the unfunded deferred liability for pensions based on a number of past events. These events include the statutory backing for the superannuation scheme, and the policy and practice in relation to funding public service pensions including the annual estimates process. While there is no formal agreement and therefore no guarantee regarding these specific amounts with the Department of Education and Skills, the Authority has no evidence that this funding policy will not continue to progressively meet this amount in accordance with current practice.

The deferred funding asset for pension as at 31 December 2020 amounted to €53,349,000 (2019: €49,133,000).

e. MOVEMENT IN NET PENSION LIABILITY DURING THE FINANCIAL PERIOD

	As at 31 Dec 2020	As at 31 Dec 2019
	€	€
Net pension liability at 1 January	49,133,000	44,171,000
Current service cost	1,746,000	1,688,000
Interest costs	668,000	938,000
Pensions paid in the year	<u>(1,011,000)</u>	<u>(692,000)</u>
Net pension liability at 31 December	50,536,000	46,105,000
Transfer of Services from another public service employer	-	-
Actuarial Loss / (Gain)	<u>2,813,000</u>	<u>3,028,000</u>
	<u>2,813,000</u>	<u>3,028,000</u>
Net pension liability at 31 December	<u>53,349,000</u>	<u>49,133,000</u>

QUALIFICATIONS AND QUALITY ASSURANCE AUTHORITY OF IRELAND

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

f. HISTORY OF EXPERIENCE GAINS AND LOSSES

	2020 €	2019 €
Defined benefit obligations	53,349,000	49,133,000
Experience losses/(gains) on scheme liabilities		
Amount (€)	(98,000)	(966,000)
Percentage of the present value of scheme liabilities	(0.2%)	(2.00%)

g. TRANSFER OF SERVICE FROM OTHER PUBLIC SECTOR EMPLOYER

There were no transfers of service from other public service schemes in 2020.

25. COVID

The Authority has reviewed the impact of COVID on its balance sheet. Prior to COVID, the Authority already had a number of staff working remotely. The Authority had also transferred its ICT infrastructure to the cloud. It was therefore well-placed to respond promptly to the impact of COVID with minimal impact on services and/or business processes.

The Authority has assessed the carrying values of the assets and liabilities on the balance sheet at 31 December 2020. The Authority is satisfied that COVID has not impaired the value of fixed assets, debtors and prepayments or cash balances. Similarly, COVID has not given rise to any additional liabilities or contingencies.

The Authority has undertaken an assessment of its income and cashflows for the coming 12 months and is satisfied that it remains a going concern.

The Authority will continue to assess the impacts of emerging risks on its operations in the course of 2021, including any potential costs or impairments which may require to be reflected in the 2021 Financial Statements.

26. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Qualifications and Quality Assurance Authority of Ireland at its meeting on 23 April 2021.