



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 2021**

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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. Pdraig Walsh	- Chief Executive Officer (w.e.f. 11 Jan 2021)
Dr. Anna Murphy	- Senior Strategic Adviser and Chief Risk Officer
Dr. Bryan Maguire	- Director of Integration
Ms. Barbara Kelly	- Director of Awards
Dr. James Murray	- Director of Development (w.e.f. 1 Oct 2021)
Ms. Karena Maguire	- Head of Partnerships
Ms. Clóna Curley	- Director of Corporate Services
Mr. Eamonn Collins	- Manager, Human and Physical Resources
Mr. Liam Butler	- Manager, Finance & Procurement

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

Dr. Barbara Brittingham	
Ms. Clóna Curley	Interim Chief Executive Officer- (1 Oct '20-11 Jan '21)
Ms. Mary Danagher	
Mr. Blake Hodgkinson	
Mr. Kevin McStravock	USI Nomination (to 30 June 2021))
Mr. Thomas McDermott	
Ms. Megan O'Connor	USI Nomination (from 1 July 2021)
Dr. Niamh O'Reilly	
Prof. Irene Sheridan	
Dr. Anne Walsh	
Dr. Pdraig Walsh	Chief Executive Officer (appointed 11 Jan 21)

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



Ard Reachtaire Cuntas agus Ciste Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Qualifications and Quality Assurance Authority of Ireland

Opinion on the financial statements

I have audited the financial statements of the Qualifications and Quality Assurance Authority of Ireland for the year ended 31 December 2021 as required under the provisions of section 23 of the Qualifications and Quality Assurance (Education and Training) Act 2012. The financial statements comprise

- the statement of income and expenditure and retained revenue reserves
- the statement of comprehensive income
- the statement of financial position
- the statement of cash flows, and
- the related notes, including a summary of significant accounting policies.

In my opinion, the financial statements give a true and fair view of the assets, liabilities and financial position of the Qualifications and Quality Assurance Authority of Ireland at 31 December 2021 and of its income and expenditure for 2021 in accordance with Financial Reporting Standard (FRS) 102 — *The Financial Reporting Standard applicable in the UK and the Republic of Ireland*.

Basis of opinion

I conducted my audit of the financial statements in accordance with the International Standards on Auditing (ISAs) as promulgated by the International Organisation of Supreme Audit Institutions. My responsibilities under those standards are described in the appendix to this report. I am independent of the Qualifications and Quality Assurance Authority of Ireland and have fulfilled my other ethical responsibilities in accordance with the standards.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Report on information other than the financial statements, and on other matters

The Qualifications and Quality Assurance Authority of Ireland has presented certain other information together with the financial statements. This comprises the governance statement and Authority members' report, and the statement on internal control. My responsibilities to report in relation to such information, and on certain other matters upon which I report by exception, are described in the appendix to this report.

I have nothing to report in that regard.

Mary Henry
For and on behalf of the
Comptroller and Auditor General
29 September 2022

Appendix to the report

Responsibilities of Board members

As detailed in the governance statement and Authority members' report, the Authority members are responsible for

- the preparation of annual financial statements in the form prescribed under section 23 of the Qualifications and Quality Assurance (Education and Training) Act 2012
- ensuring that the financial statements give a true and fair view in accordance with FRS 102
- ensuring the regularity of transactions
- assessing whether the use of the going concern basis of accounting is appropriate, and
- such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Responsibilities of the Comptroller and Auditor General

I am required under section 23 of the Qualifications and Quality Assurance (Education and Training) Act 2012 to audit the financial statements of the Qualifications and Quality Assurance Authority of Ireland and to report thereon to the Houses of the Oireachtas.

My objective in carrying out the audit is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement due to fraud or error. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the ISAs, I exercise professional judgment and maintain professional scepticism throughout the audit. In doing so,

- I identify and assess the risks of material misstatement of the financial statements whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- I obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls.
- I evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures.

- I conclude on the appropriateness of the use of the going concern basis of accounting and, based on the audit evidence obtained, on whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Qualifications and Quality Assurance Authority of Ireland's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my report. However, future events or conditions may cause the Qualifications and Quality Assurance Authority of Ireland to cease to continue as a going concern.
- I evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I report by exception if, in my opinion,

- I have not received all the information and explanations I required for my audit, or
- the accounting records were not sufficient to permit the financial statements to be readily and properly audited, or
- the financial statements are not in agreement with the accounting records.

Information other than the financial statements

My opinion on the financial statements does not cover the other information presented with those statements, and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, I am required under the ISAs to read the other information presented and, in doing so, consider whether the other information is materially inconsistent with the financial statements or with knowledge obtained during the audit, or if it otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

Reporting on other matters

My audit is conducted by reference to the special considerations which attach to State bodies in relation to their management and operation. I report if I identify material matters relating to the manner in which public business has been conducted.

I seek to obtain evidence about the regularity of financial transactions in the course of audit. I report if I identify any material instance where public money has not been applied for the purposes intended or where transactions did not conform to the authorities governing them.

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 2021.

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 (to 30 June 2021)
Ms. Megan O'Connor	Ordinary Member	1 July 2021
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. Padraig Walsh	Chief Executive	11 January 2021
Ms. Cliona Curley	Interim Chief Executive	1 October 2020 (to 11 January 2021)

An External Review of the effectiveness of the Authority and its Committees was carried out in Quarter 4, 2021 with the resulting report received in Quarter 1, 2022.

The Authority has established six committees, as follows:

1. **Audit and Risk Committee:** Due to the size of the Authority, membership of the Audit and Risk Committee comprised of one Authority Member (who is the Chairperson of the Committee) and three external non-Authority Members (as opposed to three Authority Members as required by the Code of Practice). 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 Blake Hodkinson (Chairperson) and external non-Authority members, Kate Cullen, (commenced 27 September 2021), Pearl Cunningham (commenced 21 June 2021), Walter Johnston (commenced 25 April 2021) and Tony Mealy (to 15 October 2021). There were four meetings of the committee in 2021.

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, Bryan Fields (ended 31 December 2021), Achim Hopbach, Barbara Kelly, Bryan Maguire, Hannah McGee, Aileen Ponton, Alan Power, Peter Rigney (commenced 15 November 2021) and Aoife Sweeney (ended 15 March 2021). There were four meetings of the committee in 2021.

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 seven 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, commenced 11 January 2021), Cliona Curley (Interim Chairperson, ended 11 January 2021), Marie Gould, Mary Grennan (commenced 8 December 2021), Barbara Kelly, Angela Lambkin, Bryan Maguire (ended 26 November 2021), Jim Murray (commenced 8 December 2021), John O'Connor, and Andrina Wafer (ended 26 November 2021). There were seven meetings of the committee in 2021.

4. **Programmes and Awards Oversight Committee:** comprises two Authority members and five 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 (ended 21 May 2021), Mark Kane (commenced 7 October 2021), Paul Lyons (ended 21 May 2021), Mary Meaney (commenced 7 October 2021), Gerard Morgan, Brendan O'Dea (commenced 7 October 2021), Gina Quin (ended 11 September 2021) and Seán Rowland (commenced 7 October 2021). There were two meetings of the committee in 2021.

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), Kevin McStravock (ended 30 June 2021), Ailsa Crum (ended 18 July 2021), Laura Flynn (commenced 27 September 2021), Colette Harrison (ended 24 September 2021), William Kelly, Siobhan Kinsella, Geraldine Larkin, Megan O'Connor (commenced 1 November 2021), Ronan O'Loughlin (commenced 19 August 2021), Gerry O'Sullivan (commenced 1 November 2021) and Mary Sheridan. There were four meetings of the committee in 2021.

6. **HR and Organisation Committee:** comprises three Authority members. The purpose of the Committee is to:
- Support and engage with QQI on the effectiveness of HR and IR and their impact on the Organisation.
 - Ensure that QQI has identified and mitigated against HR, IR and related organisational risks, and
 - To reinforce its own governance and oversight in these areas.

The Committee will also oversee the Performance of the Chief Executive. The Committee is supported by the Human Resources Manager and any external expertise it may require to advise it.

The members of this committee are: Joanne Harmon, Mary Danagher and Blake Hodkinson. There were two meetings of the committee in 2021.

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 2021 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 2021	Expenses 2021
TOTAL	5	4	4	7	2	5	2		
Ms. Joanne Harmon	5(5)						2(2)	N/A	-
Dr. Barbara Brittingham	5(5)				2(2)			N/A	1,395
Ms. Mary Danagher	2(5)				0(2)		1(2)	N/A	-
Mr. Blake Hodkinson	5(5)	4(4)					2(2)	N/A	-
Mr. Thomas McDermott	4(5)							N/A	-
Mr. Kevin McStravock	3(3)					2(3)		N/A	-
Ms. Megan O'Connor	1(2)					1(1)		N/A	-
Dr. Niamh O'Reilly	4(5)		3(4)					N/A	-
Prof. Irene Sheridan	5(5)					5(5)		N/A	-
Dr. Anne Walsh	5(5)		4(4)					N/A	-
Dr. Pdraig Walsh ⁺	5(5)			7(7)				N/A	-
Ms. Cliona Curley	-			0(0)				N/A	-
TOTAL								NIL	1,395

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

****** QQI Meetings (Authority and Committee) were held virtually/through video conferencing throughout 2021 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 seven (70%) female and three male members (30%). Therefore, QQI did not meet 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 seven female Board members (70%) and three male Board members (30%). To meet the gender balance target, the QQI Authority with ten Authority members must have a minimum of four males and four females. However, it should be noted that the Union of Students in Ireland (USI) nominee usually serves a membership term of 1-2 years and therefore, changes more frequently than the other members of the Authority.

KEY PERSONNEL CHANGES

The contract of the Chief Executive, Dr. Pdraig Walsh, commenced on 11 January 2021. Ms. Cliona Curley, Director of Corporate Services, held the position of Interim Chief Executive between 1 October 2020 and 11 January 2021.

Dr. Jim Murray, Director of Development, returned to QQI on 1 October 2021 following a period on secondment.

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', 'Accountancy and Payroll Support', 'Legal Fees' and 'HR Supports' reflecting the nature and scope of the consultancy service provided.

	2021	2020
	€	€
General Legal advice	39,097	20,784
Actuarial advice	2,723	2,723
Funding model review	-	9,840
Review of Levels 1-4 National Framework Qualifications	-	62,878
Review of Level 6 national Framework Qualifications	69,737	25,925
COVID 19 – Modifications to TLA in Irish FET and HE	-	26,625
Strategy Development Facilitation	23,597	-
Trademark Defense	12,030	-
Board effectiveness review	-	2,595
National student engagement programme (NStEP)	60,000	60,000
Consultancy costs charged to the Income and Expenditure and Retained Revenue Reserves	207,184	211,370

QUALIFICATIONS AND QUALITY ASSURANCE AUTHORITY OF IRELAND

GOVERNANCE STATEMENT AND AUTHORITY MEMBERS' REPORT

(CONTINUED)

LEGAL COSTS AND SETTLEMENTS

There was no 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.

TRAVEL AND SUBSISTENCE EXPENDITURE

Travel and subsistence expenditure is categorised as follows:

	2021	2020
	€	€
Domestic		
- Authority*	-	855
- Employees	1,472	8,846
International		
- Authority *	1,395	732
- Employees	(1,144)	1,039
Total	<u>1,723</u>	<u>11,472</u>

As a result of COVID, travel by QQI staff and Authority members was significantly restricted in 2021. The credit for employee travel relates to travel paid for in 2020 but not undertaken. The credit was secured in 2022. No travel and subsistence was paid directly to Authority members in 2021 (2020: €936). In 2020, €651 of expenditure was paid by QQI on behalf of the Authority members.

HOSPITALITY EXPENDITURE

The Income and Expenditure Account includes the following hospitality expenditure:

	2021	2020
	€	€
Staff welfare and hospitality	<u>3,116</u>	<u>12,116</u>

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).

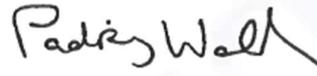
The Qualifications and Quality Assurance Authority of Ireland was in compliance with the Code of Practice for the Governance of State Bodies in 2021.



Joanne Harmon
Chairperson

Date

23/9/22



Dr. Padraig Walsh
Chief Executive

Date

23/9/22

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 2021.

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 advise 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 2021

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 2021.

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 2021 was carried out by an external firm and signed off by the Authority in 2022.

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 2021 are effective.

QUALIFICATIONS AND QUALITY ASSURANCE AUTHORITY OF IRELAND

STATEMENT ON INTERNAL CONTROL

(CONTINUED)

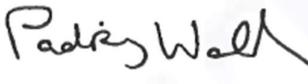
INTERNAL CONTROL ISSUES

DISCLOSURE OF DETAILS REGARDING INSTANCES WHERE BREACHES IN CONTROL HAS OCCURRED

Details of breaches	Mitigating actions
<ul style="list-style-type: none">In late 2021, QQI sought quotes for the replacement of desks and office furniture to facilitate a post-COVID return to work. The value of the contract was €114,358 incl. VAT. However, the contract was subject to a RFQ process and was not published on eTenders. The amount spent in 2021 was €38,423. A further €75,934 was incurred in 2022 and is capitalised and is shown as a capital commitment in the 2021 annual financial statements.	<ul style="list-style-type: none">QQI acknowledges that the contract should have been published on eTenders. However, QQI was anxious to undertake a prompt return to office and was of the view that the eTenders process would have taken significantly longer. Due to the urgency, QQI proceeded with the RFQ. <p>QQI is satisfied with the value for money achieved in the procurement process.</p>
<ul style="list-style-type: none">During 2021, QQI incurred €39,097 of legal expenses. No contract was in place for the duration of the year.	<ul style="list-style-type: none">QQI published a RFT for legal services in early 2021. The OGP was scheduled to have a framework for legal services in Q4 2021. Due to the proximity of the new framework, QQI collapsed its competition to avail of it <p>When published in Q4 2021, the OGP framework was only available to ETB and HE providers. QQI therefore relaunched its the competition in Q1 2022 and an award was made in Q2 2022.</p>

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


Joanne Harmon
Chairperson
Date 23/9/22


Dr. Pdraig Walsh
Chief Executive
Date 23/9/22

QUALIFICATIONS AND QUALITY ASSURANCE AUTHORITY OF IRELAND
STATEMENT OF INCOME AND EXPENDITURE AND RETAINED REVENUE RESERVES
FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021	2020
INCOME			€
Grant	2	5,174,927	4,609,516
Fee Income	3	5,837,834	5,293,674
EU Projects Income	4	13,081	33,853
Other Income	5	73,330	25,407
		11,099,172	9,962,450
Net Deferred Funding for Pensions	24(b)	1,310,000	1,403,000
		12,409,172	11,365,450
EXPENDITURE			
Staff Costs	6	7,294,505	7,320,821
Accommodation Costs	9	656,305	688,506
Member Costs	7	1,395	1,587
Corporate Services	10	396,520	419,019
Qualifax	11	30,031	10,102
Panel Fees and Expenses	12	358,703	289,103
Central Administration Costs	13	282,121	327,610
Information Communications Technology	14	2,257,842	2,112,109
Depreciation	15	195,560	216,713
		11,472,981	11,385,570
(DEFICIT) / SURPLUS FOR THE YEAR		936,191	(20,120)
Transfer from Capital Account	19	152,558	140,116
		1,088,749	119,996
Balance Brought Forward at 1 January		2,642,992	2,522,996
Balance Carried Forward at 31 December		3,731,741	2,642,992

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.


Joanne Harmon
 Chairperson
 Date 23/9/22


Dr. Pdraig Walsh
 Chief Executive
 Date 23/9/22

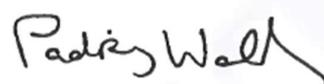
QUALIFICATIONS AND QUALITY ASSURANCE AUTHORITY OF IRELAND

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021 €	2020 €
SURPLUS / (DEFICIT) FOR THE FINANCIAL PERIOD		936,191	(20,120)
Experience (losses) / gains on pension scheme	24(f)	429,000	98,000
Changes in assumptions underlying the present value of pension scheme liabilities		(4,910,000)	(2,911,000)
Transfer of services from another public service employer	24(g)	-	-
Actuarial (losses) on pension liabilities		(4,481,000)	(2,813,000)
Adjustment to deferred pension funding	24(e)	4,481,000	2,813,000
Total comprehensive income for the year		936,191	(20,120)

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


Joanne Harmon
 Chairperson
 Date 23/9/22


Dr. Padraig Walsh
 Chief Executive
 Date 23/9/22

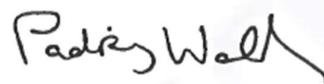
QUALIFICATIONS AND QUALITY ASSURANCE AUTHORITY OF IRELAND

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

	Note	As at 31 December 2021 €	As at 31 December 2020 €
FIXED ASSETS			
Property, Plant and Equipment	16	248,425	400,983
CURRENT ASSETS			
Receivables	17	2,869,736	1,797,683
Cash and Cash Equivalents		2,002,924	1,805,009
		4,872,660	3,602,692
CREDITORS (AMOUNTS FALLING DUE WITHIN ONE YEAR)			
Payables	18	(1,140,919)	(959,700)
NET CURRENT ASSETS		3,731,741	2,642,992
TOTAL ASSETS LESS LIABILITIES BEFORE PENSIONS		3,980,166	3,043,975
Deferred Pension Funding	24(d)	59,140,000	53,349,000
Pension Liabilities	24(e)	(59,140,000)	(53,349,000)
NET ASSETS		3,980,166	3,043,975
REPRESENTED BY:			
Capital Account	19	248,425	400,983
Retained Revenue Reserve		3,731,741	2,642,992
		3,980,166	3,043,975

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


Joanne Harmon
 Chairperson
 Date 23/9/22


Dr. Pdraig Walsh
 Chief Executive
 Date 23/9/22

**QUALIFICATIONS AND
QUALITY ASSURANCE AUTHORITY OF IRELAND**

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Note	2021 €	2020 €
Net cash inflow from operating activities			
(Deficit) / Surplus for the year		1,088,749	119,996
Capital account movement	19	(152,558)	(140,116)
Depreciation	15	195,560	216,713
Impairment of fixed assets		12,641	-
(Increase) / Decrease in receivables	17	(1,072,053)	384,985
Increase in payables	18	181,219	118,896
<hr/>			
STATEMENT OF CASH FLOWS			
Net cash (outflow) / inflow from operating activities		253,558	700,474
Cash flows from investing activities			
Payments to acquire fixed assets		(55,643)	(76,597)
<hr/>			
Increase in cash and cash equivalents		197,915	623,877
<hr/>			
Cash and cash equivalents at the beginning of the year		1,805,009	1,181,132
Increase in cash and cash equivalents		197,915	623,877
Cash and cash equivalents at the end of the year		2,002,924	1,805,009

QUALIFICATIONS AND QUALITY ASSURANCE AUTHORITY OF IRELAND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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 2021 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).

QUALIFICATIONS AND QUALITY ASSURANCE AUTHORITY OF IRELAND

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

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 2021

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 2021

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 increase 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 2021**

	2021	2020
	€	€
2. GRANT		
Grant towards Administration – Department of Further and Higher Education, Research, Innovation and Skills Vote 45 subhead A6		
- Pay	2,681,000	1,979,000
- Pensions	616,000	600,000
- Non-Pay	2,241,000	2,000,000
	<hr/>	<hr/>
	5,538,000	4,579,000
- VOTE not drawn	(500,000)	-
- Grant towards COVID and related costs	136,927	30,516
Net Income Receivable	<hr/>	<hr/>
	5,174,927	4,609,516

	2021	2020
	€	€
3. FEE INCOME		
Award Fees	3,891,145	3,783,026
ACELS	(20,151)	33,248
Validation Fees	726,580	638,900
ETB Review Fees	386,760	-
Relationship Fees	853,500	838,500
	<hr/>	<hr/>
	5,837,834	5,293,674

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.

ETB REVIEW FEES

QQI established Core Statutory Quality Assurance Guidelines for Education and Training Boards (ETBs) in May 2017. The scope of the guidelines incorporates all education, training, and related services of an ETB, leading to awards. Following re-engagement with QQI in 2018 each ETB established its quality assurance policy and procedures in accordance with section 30 of the Qualifications and Quality Assurance (Education and Training) Act 2012. These policies and procedures are reflective of the evolving and developmental nature of quality assurance within the ETB sector. An external review of quality assurance had not previously been undertaken for the ETB's. QQI commenced the quality assurance external review of the ETBs in 2021. ETB review fees are the charges by QQI to the ETBs to undertake the quality assurance policy and procedure review.

QUALIFICATIONS AND QUALITY ASSURANCE AUTHORITY OF IRELAND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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.

	2021	2020
	€	€
4. EU PROJECTS INCOME		
VISKA	-	15,468
EQAVET	-	18,385
RPL	13,081	-
	13,081	33,853

IQAVET PROJECT

IQAVET is the Irish practitioner network for Quality Assurance in VET and is the National Reference Point (NRP) for EQAVET. 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.

VISKA

Visible Skills for Adults, VISKA in short, is an Erasmus+ project with Belgium - Flanders, Iceland, Ireland and Norway as partners. It is a policy experimentation project, funded under Key Action 3 of the Erasmus+ programme, which focuses on support for policy reform. The priority theme the VISKA project resides under is "Employment and Skills: validation of informal and non-formal learning in Education and Training." QQI represents Ireland in the programme and is reimbursed for expenses and staff costs.

RPL PROJECT

Recognition of Prior Learning (RPL) is a process to evaluate the skills and knowledge a person has gained through life outside of formal education and training. QQI participates in this project at the request of the Department of Further and Higher Education, Research, Innovation and Skills. The project addresses the finding of the Bologna Implementation Report (2018), which indicates that alternative routes to higher education are rarely used. The project focus is on practice, and the development of practical guidelines. QQI is reimbursed for staff time spent on the project.

QUALIFICATIONS AND QUALITY ASSURANCE AUTHORITY OF IRELAND

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

	2021	2020
	€	€
5. OTHER INCOME		
Prompt Payment Interest	499	494
Seminars and Conference Fees	-	21,557
Other Income		3,356
Costs of Level VI Review Research Project Recovered	72,831	-
	73,330	25,407

	Note	2021	2020
		€	€
6. STAFF COSTS			
Salaries and Wages		4,695,054	4,550,060
Employers Contribution to Social Welfare		462,556	426,966
Staff Development Costs		34,251	55,389
Domestic Travel and Subsistence		1,472	8,846
Foreign Travel and Subsistence		(1,144)	1,039
Retirement Benefit Costs	24(c)	2,005,060	2,120,776
Secondment		36,982	86,821
Hospitality and Staff Welfare		3,116	12,116
Recruitment Costs		57,158	58,808
		7,294,505	7,320,821

QUALIFICATIONS AND QUALITY ASSURANCE AUTHORITY OF IRELAND

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

Gross salary costs of €5,634,530 (2020: €5,338,856) were offset by recoupments of €476,920 (2020: €361,830) 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 Further and Higher Education, Research, Innovation and Skills.

€211,131 (2020: €210,915) of pension levy has been deducted from salaries and has been paid over to the Department of Further and Higher Education, Research, Innovation and Skills during the period. €39,018 (2020: €29,120) 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 81. (2020: 80). QQI employed 82 WTE at the end of 2021. (2020:76). 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	
From	To	2021	2020
€60,000	- €69,999	6	7
€70,000	- €79,999	4	1
€80,000	- €89,999	3	4
€90,000	- €99,999		2
€100,000	- €109,999	10	14
€110,000	- €119,999	4	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;

	2021	2020
	€	€
Key Management Personnel	855,907	767,542

QUALIFICATIONS AND QUALITY ASSURANCE AUTHORITY OF IRELAND

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

	2021	2020
	€	€
7. AUTHORITY MEMBER COSTS		
Authority Member Training Costs	-	-
		-
<u>Authority Members – Travel and Subsistence</u>		
Domestic Travel	-	855
Foreign Travel	1,395	732
Subsistence/Meals	-	-
Accommodation	-	-
	1,395	1,587
Committee meetings, travel and subsistence	-	-
	1,395	1,587

No fees were paid to members of the Authority for the year 1st January 2021 to 31st December 2021.

	2021	2020
	€	€
8. CHIEF EXECUTIVE OFFICERS' REMUNERATION		
Basic Salaries for the period		
- Dr. Padraig Walsh	139,030	116,075
- Ms. Cliona Curley	3,737	28,846
All-in cost of the Chief Executive Officers' total remuneration packages	142,767	144,921

Ms Cliona Curley was appointed Interim Chief Executive with effect from 1 October 2020 to 11 January 2021. Dr. Padraig Walsh was appointed Chief Executive Officer on 11 January 2021.

Dr. Padraig Walsh had no vouched expenses in respect of Travel & Subsistence in 2021 (2020: €78). Ms. Cliona Curley has no vouched expenses in 2021 or 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 2021

9. ACCOMMODATION COSTS	2021	2020
	€	€
Rent		
Denzille Lane	367,500	367,500
Lower Mount Street	81,612	81,613
Lower Mount Street (Licence)	99,536	100,460
	<u>548,648</u>	<u>549,573</u>
Service Charges on leased premises	27,826	28,821
Security	10,755	9,378
Insurance	27,654	22,888
Light and Heat	29,999	25,105
Cleaning	2,344	17,017
Rates	1,543	1,397
Repairs and Maintenance	7,536	34,327
	<u>656,305</u>	<u>688,506</u>

10. CORPORATE SERVICES	2021	2020
	€	€
Finance and Payroll Support, Accountancy and Internal Audit	23,236	27,533
Actuarial Fees	2,723	2,723
Audit Fees	27,500	21,000
Internal Audit Fees	55,801	40,087
Legal Fees	39,097	25,080
Professional Fees		
- General	7,967	19,378
- National Student Engagement Programme (NStEP)	60,000	60,000
- Funding Model	-	9,840
- Level 1-4 Awards Review	-	62,848
- Level 6 Awards Review	69,737	25,925
- Modification to TLA arising from COVID	-	26,625
- Board Effectiveness Review	-	2,595
- Trademark defence	12,030	-
- Strategy Development Facilitation	23,597	-
Promotion and Brand Awareness	12,724	3,949
Public Relations	14,710	38,621
Advertising	36,184	43,116
Health and Safety	11,214	9,698
	<u>396,520</u>	<u>419,018</u>

11. QUALIFAX

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

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

12. PANEL FEES AND TRAVEL EXPENSES	2021	2020
	€	€
Panel Training	-	4,578
Qualification and Quality Assurance Services	282,672	263,443
Research Projects	42,405	20,625
Parchments	33,625	457
	358,702	289,103

13. CENTRAL ADMINISTRATION COSTS	2021	2020
	€	€
Telephone – Land Line	3,149	4,886
Telephone – Mobile	24,803	29,420
Postage and Courier	24,402	25,243
Stationery and Storage	9,134	15,924
Seminars and Conferences	1,088	15,037
Library and Periodicals	296	2,117
Subscriptions	47,092	57,059
Publications	86,004	64,591
Canteen	3,227	6,484
Conference Expenses and Events	21,610	45,525
Lease/Hire of Office Equipment	662	881
General Office Expenses	15,835	16,337
Bank Charges	5,779	2,698
Photocopying	1,135	5,514
Sponsorship and Donations	5,625	15,002
HR Supports	19,640	20,892
Loss on Disposal of Fixed Assets	12,640	-
	282,121	327,610

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

	2021	2020
	€	€
14. INFORMATION COMMUNICATIONS TECHNOLOGY		
IT Software Maintenance and Support	254,318	153,610
IT Software Expenditure/Licensing (Under €1,000)	11,819	123,718
IT Web Services*	88,860	1,674
IT Co-Location/Hosting*	121,976	71,620
IT Computer Hardware Supplies (Under €1,000)	101,211	10,457
Software Support Contractors*	486,823	559,556
Managed Services*	1,165,481	1,191,474
IT Security Audit	26,614	-
	2,257,842	2,112,109

*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.

	2021	2020
	€	€
15. DEPRECIATION		
Office Equipment Depreciation	5,316	10,605
IT Hardware Depreciation	41,5339	48,879
Office Fixture and Fittings Depreciation	26,436	32,453
Leasehold Property Depreciation	-	2,267
IT Software Depreciation	12,535	12,535
Fit Out Costs Depreciation	109,740	109,974
	195,560	216,713

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

16. FIXED ASSETS

	Leasehold Property €	Fit Out Costs €	Office Furniture €	Office Equipment €	IT Hardware €	IT Software €	Total €
Cost							
At 1 st January 2021	2,487,710	1,097,927	624,091	142,767	360,429	4,268,318	8,981,242
Additions	-	-	38,423	17,220	-	-	55,643
Disposals	-	(18,387)	(139,888)	(17,794)	(151,057)	-	(327,126)
At 31 st December 2021	<u>2,487,710</u>	<u>1,079,540</u>	<u>522,626</u>	<u>142,193</u>	<u>209,372</u>	<u>4,268,318</u>	<u>8,709,759</u>
Depreciation							
At 1 st January 2021	2,487,710	878,369	523,861	139,311	297,354	4,253,655	8,580,259
Charge for the year	-	109,740	26,436	5,316	41,533	12,535	195,560
Disposals	-	(7,355)	(138,280)	(17,794)	(151,056)	-	(314,485)
At 31 st December 2021	<u>2,487,710</u>	<u>980,753</u>	<u>412,017</u>	<u>126,833</u>	<u>187,831</u>	<u>4,266,190</u>	<u>8,461,334</u>
Net Book Value							
At 31 st December 2021	<u>-</u>	<u>98,787</u>	<u>110,609</u>	<u>15,360</u>	<u>21,541</u>	<u>2,128</u>	<u>248,425</u>
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>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

17. RECEIVABLES	As at 31 December 2021 €	As at 31 December 2020 €
Debtors	954,360	1,129,589
Provision for bad debts	(48,607)	(24,057)
	905,753	1,105,532
Prepayments	368,665	295,167
Accrued Income	358,170	380,310
Other Debtors	1,148	16,674
Payments in Advance	1,236,000	-
	2,869,736	1,797,683

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 31 December 2021 €	As at 31 December 2020 €
Creditors	(19,082)	62,059
Accruals	409,921	385,866
PAYE/PRSI	15,958	144,985
Professional Services Withholding Tax	12,806	3,444
Deferred Income	721,316	363,346
	1,140,919	959,700

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 €721,796 is €172,557 (2020, €309,484) received from DFHERIS but unspent at year end to support QQI's COVID response. Also included is €548,760 in respect of ETB and validation reviews invoiced reviews for which have not yet been completed.

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**NOTES TO THE FINANCIAL STATEMENTS
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19. CAPITAL ACCOUNT	As at 31 December 2021 €	As at 31 December 2020 €
Balance at start of period	400,983	541,099
Grant used to acquire fixed assets	55,643	76,597
Amount released on disposal of fixed assets'	(12,641)	-
Amortisation in line with asset depreciation	(195,560)	(216,713)
Released to income and expenditure account	(208,201)	(216,713)
Net Movement in Year	(152,558)	(140,116)
	<u>248,425</u>	<u>400,983</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 (2020: €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 (2020: €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 (2020: €100,460).

At 31 December, 2021, QQI had the following future minimum lease payments under non-cancellable operating leases for the of the following periods.

	€
Payable within one year	549,572
Payable within two to five years	458,536
Payable after five years	-
	<u>1,008,108</u>

QUALIFICATIONS AND QUALITY ASSURANCE AUTHORITY OF IRELAND

NOTES TO THE FINANCIAL STATEMENTS

21. CAPITAL COMMITMENTS

At the end of 2021, QQI had entered a contract with Radius Office Ireland to assist in the rehabilitation of the QQI offices for a post-COVID return to office. The total value of the contract was €114,237 including VAT. At 31 December 2021, €75,934 was outstanding.

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 €855,907 (2020: €767,542).

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 2021. The financial assumptions used to calculate scheme liabilities are:

	2021	2020
	%	%
Discount rate	1.40%	1.00%
Salary increase assumptions	3.70%	2.85%
Pension increase assumptions	3.20%	2.35%
Price inflation	2.20%	1.35%

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

b. NET DEFERRED FUNDING FOR PENSIONS IN YEAR

	2021	2020
	€	€
Funding recoverable in respect of current year pension costs	2,283,000	2,414,000
State grant applied to pay pensioners	<u>(973,000)</u>	<u>(1,011,000)</u>
	<u>1,310,000</u>	<u>1,403,000</u>

c. ANALYSIS OF TOTAL PENSION COSTS CHARGED TO EXPENDITURE

	2021	2020
	€	€
Current service cost	1,746,000	1,746,000
Interest on Pension Scheme liabilities	537,000	668,000
Employee superannuation contributions retained	<u>(277,940)</u>	<u>(293,224)</u>
	<u>2,005,060</u>	<u>2,120,776</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 2021 amounted to €59,140,000 (2020: €53,349,000).

e. MOVEMENT IN NET PENSION LIABILITY DURING THE FINANCIAL PERIOD

	As at 31 Dec 2021	As at 31 Dec 2020
	€	€
Net pension liability at 1 January	53,349,000	49,133,000
Current service cost	1,746,000	1,746,000
Interest costs	537,000	668,000
Pensions paid in the year	<u>(973,000)</u>	<u>(1,011,000)</u>
Net pension liability at 31 December	54,659,000	50,536,000
Transfer of Services from another public service employer	-	-
Actuarial Loss / (Gain)	<u>4,481,000</u>	<u>2,813,000</u>
	4,481,000	2,813,000
Net pension liability at 31 December	<u>59,140,000</u>	<u>53,349,000</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

f. HISTORY OF EXPERIENCE GAINS AND LOSSES

	2021 €	2020 €
Defined benefit obligations	59,140,000	53,349,000
Experience losses/(gains) on scheme liabilities		
Amount (€)	(429,000)	(98,000)
Percentage of the present value of scheme liabilities	(0.7%)	(0.2%)

g. TRANSFER OF SERVICE FROM OTHER PUBLIC SECTOR EMPLOYER

There were no transfers of service from other public service schemes in 2021.

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 2021. 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.

QQI has undertaken refurbishment works to its offices at Denzille Lane to support a return to office post-COVID to support a hybrid working environment.

The Authority will continue to assess the impacts of emerging risks on its operations in the course of 2022, including any potential costs or impairments which may require to be reflected in the 2022 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 2022.