



north west
regional college
Derry-Londonderry • Limavady • Strabane

NORTH WEST REGIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 JULY 2023

NORTH WEST REGIONAL COLLEGE
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YEAR ENDED 31 JULY 2023

The Accounting Officer authorised these

Financial statements for issue

on

27th November 2023

Laid before the Northern Ireland Assembly
under the Institutions of Further Education (Public Sector Audit) Order
(Northern Ireland) 2008
by the Department for the Economy

on

6th December 2023

NORTH WEST REGIONAL COLLEGE
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Strategic Report

Nature, Objectives and Strategies

The Governing Body members present their report and the audited financial statements for the year ended 31 July 2023.

Legal Status

The current arrangements for further education in Northern Ireland were established by The Further Education (Northern Ireland) Order 1997 with Colleges being self-governing incorporated bodies with effect from 1 April 1998. Based on this legislation, the office for National Statistics in 2010, reclassified Colleges as part of Central Government. This has resulted in Colleges being determined as Non-Departmental Public Bodies (NDPB).

Colleges have been granted charitable status by the HM Revenue and Customs.

Mission Statement

We provide quality education that supports the creation of more jobs and fosters a culture of lifelong learning for work.

Corporate and Business Planning

Our Purpose & Strategy

Our purpose at NWRC is 'Making Lives Better'. The College's vision, mission and values confirms its commitment to students, business, the community and the staff. The College aims to create a great place to work and learn and in doing so positively impact on the opportunities, health and wellbeing for staff and students. This is especially important given our challenging socioeconomic environment. Despite the fact that unemployment is falling, we have the highest claimant count and the highest rates of economic inactivity in NI within our city and region. Five out of the top ten most deprived super output areas (SOAs) are within our catchment area.

The economic climate has experienced significant changes due to external global environment impacting significantly on the cost of living with extensive increases in fuel and energy costs and challenges with rising inflation.

In line with the sector curriculum reform agenda, NWRC delivered a number of Traineeships (Level 2) and Advanced Vocational Technical Award (Level 3) programmes in 2022/23.

Going forward the 2023/24 curriculum plan will take cognisance of the further development of the Traineeship programme and the opportunities for all age and potentially public sector Apprenticeships. The college relationship with the Open University will facilitate further development of full-time and part-time higher education programmes. The college is also participating in dedicated programmes for example StepUp to further meet the sector widening access and participation agenda. NWRC continues to be a partner in the North West Tertiary Education Cluster enhancing opportunities for cross border progression pathways.

The College curriculum provision reflects the emphasis on its commitment to providing a portfolio of programmes at Levels 0 – 6 delivered on a full-time and part-time basis, aligned to Department for the Economy (DfE) departmental strategies, particularly the 10X Skills Strategy, while meeting the needs of local stakeholders.

The College Development Plan will provide a clear vision of the College strategy, taking cognisance of the current baseline position once guidance is provided of the new template by DfE for the submission of the 2023/24 College Development Plan.

The industry standard learning and teaching facilities on our campuses provide aspirational environments for learning and we continue to be well placed to take on the challenge of enhancing the skills set of the population of the city and region.

The College effectively resources all provision and develops staff through Continuous Professional Development to ensure currency of skills and quality of delivery. We aim to develop and maintain a college community whose skills and expertise are compatible with the changing demands of the wider educational, industrial and economic environment.

We recognise that the development of skills must be managed to ensure that the skills output matches the future needs of employers and society, especially in the area of technology transfer. The College is engaged in the ongoing development of a learner centred curriculum that is focussed on skills development. We are proud of our long history of providing curricular choice and opportunities for all.

Our Curriculum

The College recognises the key role that it has to play if we are to realise the vision that the FE sector will be recognised locally, regionally and internationally for high quality and economically relevant education and training provision. Through our professional and technical curriculum, offered at Level 1 and above we are supporting the rebalancing and rebuilding of the Northern Ireland economy. Our curriculum within all professional and technical areas is broad, diverse and tailored to meet the education and training needs of the relevant sectors. The curriculum plan has been informed by our strategic priorities as well as a number of other key DfE strategies and publications, in particular the 10X Skills Strategy.

The College offers education and training programmes at Levels 0-6, on a full-time and part-time basis, across a wide range of professional and technical areas. Engagement with employers whether through Apprenticeships or a significant work placement component is a key focus for the college.

The Higher Education (HE) provision accounts for 9% of the total College Enrolment count (excluding Essential Skills). The Higher Level Apprenticeship provision increased to 72 enrolments in 2022/23. The College also delivered Work Based Learning in 10 vocational areas as part of the Apprenticeship NI. A number of Traineeships at Level 2 were delivered as well as Advanced Vocational and Technical programmes at Level 3.

The total enrolment count was 11,947 (including Essential Skills), 19% of Further Education (FE) Full-time students had a learning disability and were supported in their learning within mainstream provision. Some 33% of students attended on a full-time basis. Within the full-time cohort of students, 51.5% of students were male, 47.9% were female and 0.6% were other. As part of the Entitlement Framework provision offered to post-primary schools, there were 43 course offerings with 497 enrolments across three area learning communities.

Foundation Degrees revalidations/validations continued in 2022/23 and the College followed schedules from the relevant awarding organisations. There were no revalidations of NWRC courses required in 2022/23. A schedule is in place for 2023/24 revalidations. The college successfully achieved validation of Fintech Foundation Degree – a new course being offered in 2023/24. The college attained organisational approval to partner with the Open University and to facilitate a base for the OU in the North West on site. Three full-time higher education courses secured course approval for delivery in 2023/24; HNC L4 Healthcare Practice; Foundation Degree in Housing; and Foundation Degree in Cybersecurity.

The College plays a central role in the delivery of Local Government Community Planning in both Derry City & Strabane District Council (DCSDC) and Causeway Coast and Glens Borough Council (CCG). It is a strategic partner in both Councils (DCSDC – City Deal and CCG – Growth deal) and is represented on the City Deal and Inclusive Futures Board of DCSDC and the Growth Deal Executive Programme Board of CCG. As part of the DCSDC City Deal the College is in the process of preparing an Outline Business Case for consideration to build a new Strabane Campus in the town centre/canal basin. The aim is to further enhance opportunities for education, skills and training and to work collaboratively with the other stakeholders bidding to develop in the same area. The College intends to strive for a diverse curriculum offer that will meet the needs of the local community and industry helping reduce the skills gap in this area of high deprivation.

The College is committed to the further expansion of Apprenticeships to include Higher Level Apprenticeships (HLAs) taking cognisance of the recent change to the all age criteria plans to be centre to the delivery of public sector apprenticeships when available.

There is also now momentum in the city and region around health excellence as a strategic economic competence. The College, designated as the 'Hub' for the FE Sector in Health and Social Care, is leading curriculum development from Level 1 – Level 5 in this vocational area.

Our College's role in supporting the widening access and participation agenda in the City region is widely recognised and we remain committed to providing a curriculum that supports the participation of learners with learning difficulties and disabilities, those from underrepresented groups in society and those not in employment, education or training (NEETs) examples include the College's partnerships with the Princes Trust, the delivery of the StepUp programme and participation in a range of externally funded programmes.

The College's economic engagement continues to be outward facing and is unlocking the potential of the city and region to create prosperity. The Business Support Centre, which manages economic engagement and economic development, is central to supporting businesses with skill acquisition and innovation awareness to assist them to move up the skills and innovation escalator.

The College currently has a number of Innovation Centres – Foodovation, Product Design Centre, XR Centre, Design Innovation for Assisted Living (DIAL) Centre and Industry 4.0 which became operational in Springtown during 2022/23. These innovation centres are industry facing and link with curriculum through applied research, idea generation, prototype development and proof of concept.

As one of two 'Science Technology Engineering and Math (STEM) Assured' accredited Colleges in NI and the Lead College in Creative and Cultural Skills, the College continues to be a success achieving numerous awards. Pearson Teaching awards - Silver Award for Further Education Lecturer of the Year 2023, Gold Award for Further Education Team of the Year 2022 (Health Studies team), WorldSkills UK Diversity award 2023 and Skills Competitions Advocate Award 2023.

NWRC has significant expertise in the delivery of online learning. This was particularly influential from mid-March 2020 when the Colleges were closed in line with government direction to minimise the spread of COVID. Staff expertise of technology enabled students undertaking provision to continue with their learning and obtaining their qualifications. The College was innovative in planning and delivering adaptive assessments to students in vocational areas who were unable to complete their qualifications due to the work-based learning restrictions and continuing with planned virtual delivery in HE courses to enable learners to gain relevant skills. Normal face to face delivery continued in 2022/23. However, the vast majority of courses retained a component of online/virtual learning in order to enhance the skills of the learners.

The College will continue to strive to achieve its purpose and objectives for Making Lives Better for all of its stakeholders as the primary provider of professional and technical education and training in the North West region.

Enrolment Results 2022/23

In 2022/23 the College had a total target of 11,522 enrolments (including Essential Skills (ESK)). The table below shows actual performance (11,947) against target¹.

HIGHER EDUCATION FIGURES

	Target	Actual
HE Full Time	483	346
HE Part Time (excl. HLA)	678	629
TOTAL	1,161	975

	Target	Actual
HLA	72	72

FURTHER EDUCATION FIGURES

	Target	Actual
FE Full Time (excl. WBL/HE/ESK)	1,625	1,584
FE Part Time (excl. WBL/HE/ESK)	6,296	6,963
TOTAL	7,921	8,547

TRAINING FOR SUCCESS/APPRENTICESHIPS NI FIGURES

	Target	Actual
Training for Success (TFS) Full Time	1	1
Training for Success (TFS) Part Time	0	0
Skills for Life and Work (SFLW) (L1) Full Time	12	7
Skills for Life and Work (SFLW) (L1) Part Time	6	14
Traineeships Full Time	93	87
Traineeships Part Time	0	19
Apprenticeships NI (APPNI) Full Time	500	525
Apprenticeships NI (APPNI) Part Time	92	273
TOTAL	704	926

ESSENTIAL SKILLS (ESK) FIGURES

	Target	Actual
ESK (TFS)	0	0
ESK (SFLW)	12	0
ESK (Traineeship)	98	87
ESK (FE)	1,494	1,234
ESK (APPNI)	60	106
TOTAL	1664	1427

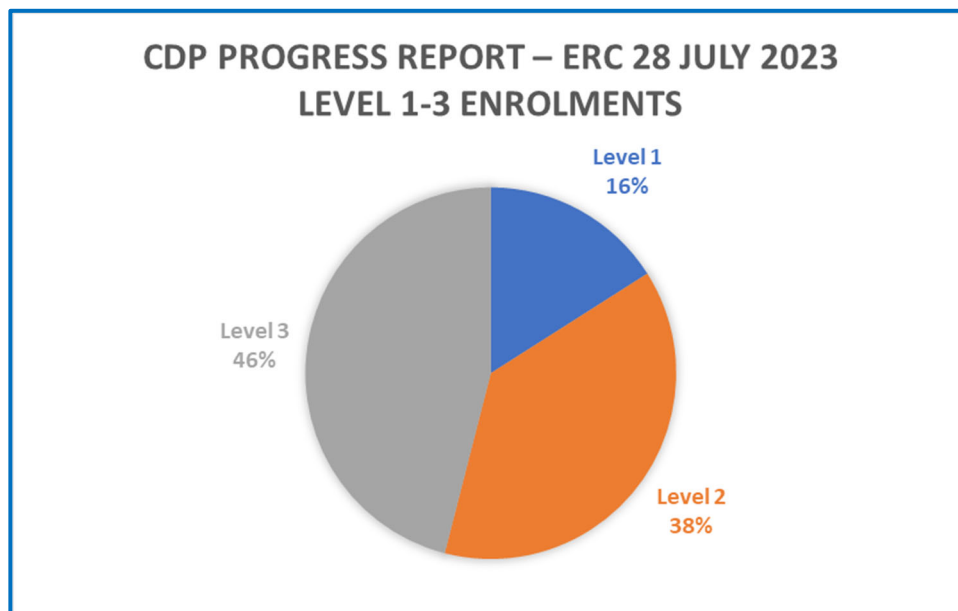
63% of all College enrolments were in the Key Priority Skills Areas and STEM provision and 88% of all College programmes delivered were accredited.

Retention for the College in funded courses is 81%; for FE mainstream 89.14%, for HE mainstream 90.4% and 79.1% for Essential Skills.

Overall College retention was 90.5% for 2022/23.

¹ CDP Progress Report Education Report Card extract on 28 July 2023

The combined Level 2 and Level 3 provision contributes to **84%** of mainstream FE provision (Level 1-3) excl. Essential Skills².



The primary focus of the NI Programme for Government is the economy; this correlates with the requirement for quality education and skills training, improving the skills level of the population and increasing the number of people working in good jobs. Therefore, NWRC will continue to provide opportunities for the people of the city and region to retrain, develop new skills and diversify in order to change career. NWRC will continue to play a key role in providing individuals with the ability to upskill/reskill and will be a key player in the roll out of the 10X Skills Strategy particularly in increasing the proportion of the population in the North West with qualifications at Level 2 and above. Also, addressing skills imbalances, driving economic growth; creating a culture of lifelong learning; and enhancing digital skills.

Despite the very challenging environment in the city and region, NWRC sits at the heart of the professional and technical education system and has played a key role in providing individuals within our catchment area with the ability to upskill/reskill and move across sectors as economic needs change. In determining our future curriculum offer, cognisance must not only be taken of our strategic priorities to generate a strong and vibrant economy but also of our requirement to address educational disadvantage and levels of deprivation by continuing to promote social inclusion.

² CDP Progress Report Education Report Card extract on 28 July 2023

Student Activities and Achievements

The College full-time FE student enrolments saw a decrease between 2021/2022 and 2022/2023 due in the main to the continuing declining demographics in the North West and competition from both Post-Primary schools and Universities;

- Full-time FE Main College Provision enrolments decreased by 12.4% from 1,809 to 1,584;
- Full-time Maximum Student Numbers (MaSN) HE enrolments decreased by 18.4% from 424 to 346
- Part-time enrolments (excl. ESK) increased by 8.1% from 7,305 to 7,898
- 100% of all residual qualifications have now completed.
- Part-time HE enrolments achieved 92.8% of the target with 629 enrolments against a target of 678.
- Full-time enrolments in APPSNI exceeded target of 500 achieving enrolments of 525.
- Enrolments on targeted programmes such as College Connect and Princes Trust exceeded their target of 75 enrolments to achieve 96 enrolments.

63% of the overall College enrolments were on Priority Skills Areas and STEM programmes achieving the College target set for 2022/23.

Employer Engagement

Actual delivery against targets is outlined below.

2022/23 year to end March 2023	Target	Actual
Skills Focus no. of enrolments	220	291
Skills Focus budget spend	£380K	£380K
InnovateUs (No. of projects)	75	93
InnovateUs budget spend	£390K	£390K
Innovation Vouchers	25	30
Fusions	29	30
Academies	4	3

291 employees were up-skilled to level 2 and above via the DfE Skills Focus programme. This involved 135 people being trained at level 3, 18 at level 4, 38 at level 5 and the remainder at level 2. The funding remained at 100% for businesses in the 22/23 year and will also remain the same for 23/24.

3 Assured Skills academies were successfully delivered with Alchemy and FinTrU.

The Skills team also secured and managed the delivery of Skill Up funding which provided 420 qualifications for individuals in priority sectors.

The College has continued to invest in its innovation centres with a new Industry 4.0 Centre opening in March 2023. This compliments the NWRC's existing innovation Centres of Foodovation, the Product Design Centre, DIAL Assisted Living Centre and the XR Hub. The College's innovation centres met all their targets for the past year. The BSC secured a new KTP project with Gallagher & McKinney, numerous new innovation boost (Fusion) projects and new InterTrade Ireland pilot programme funding via Digitalisation Boost. The Centre is also exploring avenues for Peace Plus funding as it continues to look at diversification of income.

Financial Objectives

The College's financial performance target, as set out by DfE, is to deliver an actual Resource Requirement in line with its approved Resource Budget Allocation for the April – March fiscal year, which it did for 2022/23.

The College's financial objectives and achievement against targets in 2022/23 are:

Ratio	Target	2022/23 Result
Cash Balance as % of Total Prior Year Income (including Grant in Aid)	7.5%-10%	8.74%
Payment Performance - % of supplier invoices paid within 30 days	> 90%	95%
Debtor Days	0-30 days	27 days

The Cash Balance ratio details the percentage of cash reserves held by the College as a percentage of the College's total prior year income. The minimum contained in the Management Statement/Financial Memorandum from DfE is 7.5% while the maximum is 10%.

The Late Payment of Commercial Debts (Interest) Act 1998, which came into force on 1 November 1998, requires Colleges, in the absence of agreement to the contrary, to make payments to suppliers within 30 days of either the provision of goods or services or the date on which the invoice was received. The target set by the Treasury for payment to suppliers within 30 days is 95%.

During the accounting period 1 August 2022 to 31 July 2023, the College paid 95% of its invoices within 30 days (2021/22 - 96%). The College incurred no interest charges in respect of late payment for this period.

The Northern Ireland Executive is committed to paying suppliers promptly - within 10 working days. During the accounting period 1 August 2022 to 31 July 2023, the College paid 91% of its invoices within 10 days. (2021/22 – 91%)

The Debtor Days ratio measures how quickly cash is being collected from trade debtors.

Financial Performance Monitoring

The College monitors financial performance against its budget and prior year position via monthly Management Accounts. These accounts are reviewed by management on a monthly basis and are presented to the Governing Body throughout the year.

In addition, the College produces monthly Income and Expenditure Accounts for each Department or Cost Centre which are issued to each of the College's budget holders for review and highlight actual year to date performance against budgets.

Financial Results

The College incurred an operating deficit on continuing operations after depreciation of assets at valuation and before exceptional items of £2,458k (2021/22: £3,872k).

The deficit in 2022/23 is stated after accounting for a pension charge of £964k (2021/22: £3,218k) as determined by the College's actuaries. The actuarial assumptions used in calculating the pension charge are explained in Note 19 to the Financial Statements.

The Northern Ireland Local Government Officers' Superannuation Committee (NILGOSC) has moved from a deficit of £6.3m at 31 July 2022 to a surplus of £3.4m at 31 July 2023.

The main drivers of the movement over the year are:

- a change in the financial assumptions (specifically, higher corporate bond yields, leading to an increase in the discount rate assumption); and
- a change in the demographic assumptions used to calculate the FRS 102 Defined Benefit Obligation (DBO) which has led to a decrease in the DBO, partially offset by:
 - a decrease in the asset value, due to the actual assets in the actuarial valuation for funding purposes as at 31 March 2022 (the '2022 Valuation') being lower than the asset value estimated for FY22 accounting, coupled with lower than assumed returns on the Fund assets over the period; and
 - allowance made for updating the starting position of the roll-forward to the results of the recent funding valuation, which includes a 10% uplift in respect of inflationary experience.

Land and Buildings were subject to a full revaluation at 31 July 2022 by Land and Property Services (LPS). At 31 March 2023 and 31 July 2023 LPS provided index ratings to be applied to the valuation of the College's land and buildings increasing the value of the College's estate by £6.8m.

The College has significant reliance on DfE for its principal funding source, largely from recurrent grants. In 2022/23 DfE provided 68% (2021/22 - 68%) of the College's total income through allocated recurrent grant. This represented 13.8% of the total recurrent grant available to the sector.

Reserves

The College has accumulated reserves of £54.1 million and cash balances of £3.6 million.

Finances and Going Concern

The College is satisfied that the organisation is a going concern on the basis that there is no reason to believe that the department's future sponsorship and future parliamentary approval will not be forthcoming to meet the College's liabilities as they fall due. It has accordingly been considered appropriate to adopt a going concern basis for the preparation of these financial statements.

Treasury Policies and Objectives

Treasury management is the management of the College's cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.

The College has a separate Investment Policy in place that complies with DfE Financial Memorandum. The purpose of the policy is to provide the College with specific guidelines as to the period of investments, diversification of institutions, and aiming to attain the best rate of return on any investments.

Cash Flows

The College has a £872k cash outflow for the year. (2021/22 - £1,290k outflow)

Liquidity

As per the Statement of Financial Position the College's liquidity is in line with the Financial Memorandum.

Events after the end of the Reporting Date

Refer to Note 27 to the Financial Statements.

Future Developments

The College recognises the financial challenges that the public sector will face in the coming years. A significant percentage of funding comes from Recurrent Grant from the Department for the Economy. The uncertainty and challenges presented by the current macro-economic environment may impact adversely on the curriculum provision. In addition, demographic trends have significantly impacted student recruitment, not only at our own College but right across the Further Education sector. The College continues to be impacted by competition from the Post-Primary Sector.

An Estates Strategy has been prepared and approved by the Governing Body. The strategy identifies five major projects which, with appropriate approval and funding will be progressed over the next ten years. One of these projects is the development of a new campus in Strabane that will be progressed within the Derry and Strabane City Deal project.

The College is also hoping to progress a food innovation project within the Causeway Coast and Glens Borough Council's Growth Deal initiative.

The College is committed to becoming more sustainable and we are currently finalising our 5 Year Strategic Plan for Sustainability. The plan will clearly set out how we intend to embed sustainability into all aspects of our Organisation, with the aim of achieving and maintaining 'green campus' status at all of our sites. We are also committed to working towards an ambitious target of becoming carbon neutral by 2032.

Resources

The College has various resources that it can deploy in pursuit of its strategic objectives.

Estate:

The value of the main College sites at 31 July 2023 are as follows:

	Value £'000
Foyle Building	19,114
Strand Road	20,629
Limavady	10,609
Northland*	11,734
Centre for Technology	8,210
Strabane	2,927
Springtown	10,664
Total	83,887

**PFI Building*

Financial:

The College has £54.1 million of net assets (including a £3.4 million pension asset).

People:

The College employs 594 people (expressed as full-time equivalents), of whom 315 are teaching staff.

Reputation:

NWRC is the main provider of professional and technical education and training in the North West region and plays a central role in up-skilling and re-skilling the population through the delivery of an economically focussed curriculum from Level 0 - Level 6.

In the latest inspections of the College the Education and Training Inspectorate stated that in the professional and technical areas inspected the quality of education and training provided across the College is good. The feedback on the QMER process in 2022/23 indicated that the college had a “Satisfactory” grading. The scrutiny inspection of the Self Evaluation Report (SER) process was graded “Confident” (2020/21). The latest quality review carried out by QAA on the HE provision at NWRC resulted in a “Confident” grade. An ETI Review of the Level 3 Provision in the FE Sector commenced in January 2020. The College was reviewed in February 2020 and received very positive feedback from the ETI following their visit. The completion of the review of all 6 Colleges was postponed by COVID.

Name of Inspection	Overall Grade
ETI Inspection Report – Training for Success and Apprenticeships NI provision	Good
ETI Scrutiny Inspection of the Self-Evaluation and Quality Improvement Planning Processes	Confident
QAA – Quality Review Visit	Confident

The College is committed to improving its performance on a continuous and systematic basis. As part of the College quality improvement process each curriculum and support area produces an annual self-evaluation report and action plan. The latest Scrutiny Inspection was carried out by the Education and Training Inspectorate during their visit to evaluate the Level 3 provision at the College and the College achieved a grade of Confident for the Self Evaluation Processes. The academic year 2020/21 was significantly impacted by COVID, however, the self-evaluation process continued with the College submitting a Whole College Self Evaluation and Action Plan tailored to specific ETI requirements for that year. Feedback indicated that the College was given Outcome A – the highest grading – which stated that ‘On the basis of the information provided, there is sufficient evidence that the organisation is planning effectively for recovery and continuity in learning and quality improvement’.

A new process for self-evaluation established by DfE, the Quality Monitoring Evaluation Report (QMER) 2022/23 was made in relation to Traineeships, Apprenticeships and HLAs. Feedback regarding the college QMER was positive. The college Quality Enhancement Unit is complying with the new biennial reporting system for self-evaluation and action planning.

The publication of a new Operating Model for the governance and review of higher education came into effect in 2016. A number of internal multidisciplinary committees within the College continue to further support quality of provision. Revised Terms of Reference and membership have been revisited and agreed for a) the Academic Standards Committee (dealing with HE) and b) the Work Based Learning Committee deals with the development and delivery of new Traineeship provision and any changes to Apprenticeship frameworks. A number of recent TMS audits relating to compliance processes have been satisfactory.

The Director of Curriculum and Academic Standards continues to oversee cross College committees to progress improvement in areas including Essential Skills, Northern Ireland Prison Service programme, Sustainability agenda and the College Community provision, which also encompasses the delivery of the new StepUp programme. The College curriculum policy and curriculum plan is regularly updated to reflect the emphasis of the sector and College on the development and delivery of high quality professional and technical education and training reflecting the ongoing outworking of sector curriculum reform as well as the delivery of funded skills related provision supporting economic growth and recovery. The College is now in partnership with the Open University and has successfully secured the validation of three new higher education courses.

A new management information system (EBS) was introduced by the sector in September 2020. The Curriculum Leadership team have had an ongoing focus on the utilisation of this system to provide accurate and timely information relating to student enrolments. New dashboards have been developed to facilitate monitoring of attendance and retention, ultimately for the purpose of identifying and providing targeted student support to improve the learner experience and achievement and success rates.

The College has a good reputation with its students and the student voice is integral to the ethos at the College. Surveys are carried out across Further and Higher Education for both employers and students and feedback is received from a range of stakeholders. Pastoral care is a significant strength within the College and is highlighted as such in the majority of inspection reports and by student feedback.

The College achieved a response rate of 79% in the National Student Survey compared with the NI Sector average of 73% and a UK Sector average of 71%. The results released in early July show that 93% of all students that took part in the survey were overall satisfied with the quality of their course and the College. The NI sector outcome was 80%. Over 94% of our students confirmed they were able to contact staff when they needed to (NI sector average was 85%); over 92% confirmed their course developed their knowledge and skills needed for their future (NI sector average was 84%); and over 83% confirmed they were satisfied with the Mental wellbeing services offered NWRC (NI sector average 78%). Outcomes had improved on previous years and the College again achieved higher outcomes than the Sector average in all core questions asked of the students.

A wide range of Learner Services are also available including careers advice and guidance, safeguarding and wellbeing, financial support and mentoring. NWRC was the first College to introduce Elemental - a model of social prescribing to support learners. Learners have the opportunity to participate in Skills competitions, international exchange programmes and avail of a range of scholarships.

The College is committed to working with all of its stakeholders to improve the skills mix of the workforce in Northern Ireland and enhance the economic environment.

During the year Internal Auditors graded 5 reports satisfactory. One further Internal Audit report issued was a "Advisory" report only. The overall end of year report was graded as Satisfactory.

Summary of College highlights from 2022/23:

- Lecturer David McCay was presented with the Skills Competition Diversity Champion award, at the 2023 WorldSkills UK Equity, Diversity and Inclusion Heroes Awards.
- Computing student Aileen Barber was awarded an All-Ireland Scholarship, funded by JP McManus, to support her university studies. Aileen achieved 3 distinction star grades in our Level 3 Extended Diploma in I.T. course and is now studying for a Degree in Computer Science at Queen's University of Belfast.
- Clare Hamilton who studied our Level 3 Extended Diploma in I.T. won a £20,000 bursary from global e-commerce giant Amazon. Claire has also begun a Degree in Computer Science at Queen's University Belfast.
- Level 3 student Morgan Nutt won a Silver medal in Floor and Wall Tiling at Worldskills UK finals.
- Foundation Degree Science student Rory Deehan won the Gold Medal in Laboratory Technician Skills at the Worldskills UK Finals.
- Holly Barrie-Herron, a Graduate in our Foundation Degree in Hospitality and Tourism Management, was the 2022 NI Travel Student of the Year. Holly, who secured employment at J & K Coaches for her placement while studying for the Foundation Degree, has now secured full-time employment with the firm.
- Our Greystone campus in Limavady hosted the Skillbuild NI Finals in which the best of young talent in the Construction Industry went head-to-head in a range of competition disciplines.
- Art & Design graduate Aoife Harvey won the BBC Northern Ireland Television series A Stitch Through Time.
- Access Graduate April Canning was awarded the Ulster University Allstate Convocation student of the year award. This award is made to an undergraduate student who has demonstrated significant personal achievement or a substantial contribution to University life.
- NWRC student Dylan Copland travelled to Illinois to spend 12 months studying in Monmouth College as part of the British Council Study USA programme.
- Former Access student Denise O'Kane was awarded 'Student Nurse of the Year' at the 2023 Northern Ireland Staff Nursing Care Awards.
- NWRC Lecturer Pamela Brown won the Pearson Silver Award for Further Education Lecturer of the Year, recognising her outstanding commitment to changing lives at HMP Magilligan.
- Health Studies student Ellie Caulfield was awarded the Eileen Cairns scholarship at our Best in Further Education celebrations at Strabane Campus. Construction student Emmett Gallagher was named as the recipient of the Gerard Finnegan Memorial Cup at Best in FE celebrations at Strand Rd Campus. Uniformed Protective Services student Orla McIntyre was named as the recipient of the Zachary Geddis Memorial Cup at Limavady Campus Best in Further Education celebrations.
- Community learner Adrian Boyd was a finalist in the OCN (Open College Network) Learner of the Year Awards.
- North West Regional College (NWRC) and The Open University (The OU) announced details of a unique educational partnership, introducing a new range of university level courses to be delivered by NWRC, and accredited and validated by the OU, from September 2023.

**NORTH WEST REGIONAL COLLEGE
STRATEGIC REPORT
FOR THE YEAR ENDED 31 JULY 2023**

- Two Beauty Therapy lecturers from North West Regional College, Vanessa Canning and Noelle Boyle, were finalists in the Vocational Training Charitable Trust (VTCT) excellence awards.
- 29 students studying Higher Education courses at North West Regional College were awarded an SSE Renewables scholarship.
- Media students Eva Glenn, Matthew Acosta, Ryan Sheppard, Lucas Deighan and Connor McDaid won two first place awards as well as a second place and two thirds when they travelled to South Eastern Regional College for the annual Northern Ireland Colleges Media Awards.
- NWRC officially opened a unique Industry 4.0 (i4.0) Centre at its Springtown Campus. The i4.0 Centre is the latest addition to the college's portfolio of innovation and skills centres, with a focus on supporting SMEs and local businesses in the areas of industry 4.0, automation and robotics.
- NWRC officially recognised 50 years of industrial training delivery at its refurbished Springtown Campus, Derry~Londonderry.

Risk Management

The College has undertaken further work during the year to develop and embed the system of internal control, including financial, operational and risk management which is designed to protect the College's assets and reputation. During 2022/23 the College began implementing a cloud-based risk management software to further enhance the system of internal control and provide a complete picture of the Colleges risk, controls and assurance environment.

The Risk Management Group undertakes a comprehensive review of the risks to which the College is exposed. They identify systems and procedures, including specific preventable actions which should mitigate any potential impact on the College. The internal controls are then implemented and the subsequent appraisals will review their effectiveness and progress against risk mitigation actions. In addition to such reviews, the Risk Management Group will also consider any risks which may arise as a result of a new area of work being undertaken by the College.

A risk register is maintained at the College level which is reviewed by the Audit and Risk Committee. The risk register identifies the key risks, the likelihood of those risks occurring, their potential impact on the College and the actions being taken to reduce and mitigate the risks. Risks are prioritised using a consistent scoring system.

Main Risks

A summary of the main risks on the Corporate Risk Register as of September 2023 are as follows:

	Title	Residual Risk Scoring
1	Impact on Performance/Availability of Information Systems Relating to Third Party Hosting/Connections	Medium
2	Impact of Reduced Enrolment Numbers	Severe
3	Non-Compliance with Work Based Learning Regulations and Procedures	High
4	Non-Compliance with Relevant Legislation (Equal Opportunities, Data Protection, Health & Safety, Freedom of Information, Consumer Protection Law)	Medium
5	The Quality of Curriculum Delivery not meeting required Benchmarks	Medium
6	Business Continuity Plan/Disaster Recovery	Low
7	Failure to Maintain Financial Stability	Very High
8	Cyber Security	High
9	Impact of Industrial Action	Severe
10	Staffing - Impact of Staff Recruitment, Staff Retention, Pay Levels & Sickness on College Business	Medium

Stakeholder Relationships

In line with other Colleges and with Universities, North West Regional College has many stakeholders. These include:

- Students;
- Staff;
- Department for the Economy;
- Other Government departments;
- Local employers;
- Derry City and Strabane District Council;
- Causeway Coast and Glens Borough Council;
- Local Strategy Partnerships;
- Local Enterprise Agencies;
- Other FE Colleges;
- Post-Primary Schools;
- Trade Unions;
- The local community;
- Professional Bodies;
- Invest NI;
- The Open University;
- Ulster University;
- Queen's University Belfast;
- Atlantic Technological University;
- Donegal Education and Training Services;
- North West Tertiary Education Cluster (NWTEC)

The College recognises the importance of these relationships and engages in regular communication with them. The College considers good communication with its staff to be very important and regular meetings are held. The College encourages staff and student involvement through various means such as membership of the Governing Body.

Disability Statement

The College is committed to the provision of high quality education and training for the community it serves. The College welcomes applications from students with disabilities. All reasonable efforts to meet individual students' needs will be made through teaching support, student services and the learning support service.

In carrying out the principal roles and functions, the College will endeavour to promote equality of opportunity among those with disabilities in accordance with Section 75 of the NI Act 1998. In addition, the College will ensure the obligation in accordance with the Disability Discrimination Act 1995 will be adhered to and reasonable adjustment considered where necessary.

The College also takes account of the Special Educational Needs and Disability Order 2005 (SENDO).

The College has a detailed Disability Action Plan which covers the following areas:

- Encourage students with a disability to participate more fully in College life.
- Increase awareness of specific barriers faced by people with a disability including through linking in with National Awareness days or weeks.
- Promote the use of AccessAble website to encourage participation of prospective students.
- Create an open and inclusive workplace culture which displays respect for those with mental ill health.
- Explore the scope of offering meaningful placements and work shadowing and volunteering for people with a disability.
- Introduce training for front line staff on disability etiquette and relevant legislation dealing with disability and the provision of goods, facilities and services.
- Consider development of a (Sectoral) Disability Advisory Group that could involve staff and students.
- Increase number of students with a disability entering the College.
- Monitor and review the progress of the Disability Action Plan.

The College also holds the Gov.uk's Disability Confident Employer and in June 2023, the College has been awarded Employers for Disability NI's Disability Positive AAA accreditation. This accreditation recognises the College as a Disability Positive Employer and focuses on employment-related disability good practice. The College will hold this accreditation for 3 years.

Disclosure of Information to Auditors

These accounts are subject to audit by statute by the Comptroller and Auditor General for Northern Ireland.

The members who held office at the date of approval of this report confirm that, so far as they are each aware, there is no relevant audit information of which the College's auditors are unaware; and each member has taken all the steps that he or she ought to have taken to be aware of any relevant audit information and to establish that the College's auditors are aware of that information.

Personal Data Related Incidents

There was no data related incidents reported to the Information Commissioner's Office (ICO) during the academic year.

Charitable and Taxation Status

The College has charitable status with the HM Revenue and Customs and is not liable to corporation tax.

Charitable/Political Donations

The College made no charitable or political donations during the year.

Professional Advisers

External Auditors: Comptroller and Auditor General for Northern Ireland
Northern Ireland Audit Office
106 University Street
Belfast
BT7 1EU

Internal Auditors: RSM
Number One
Lanyon Quay
Belfast
BT1 3LG

Bankers: Danske Bank
Corporate Banking
P.O. Box 183
Donegall Square West
Belfast
BT1 6JS

Members

The members who served the Governing Body during the year to 31 July 2023 were as follows:

NAME	DATE OF LAST APPOINTMENT/EXTENSION TO APPOINTMENT	TERM OF OFFICE	DATE OF RESIGNATION/ APPOINTMENT ENDED	STATUS OF APPOINTMENT	COMMITTEES SERVED	GOVERNING BODY ATTENDANCE 7 MEETINGS HELD 2022/23
Ms M Breslin	21/07/2020	4 yrs		Staff Member	AC	6(6)
Mr P Canavan	01/07/2019	4 yrs	30/06/2023	Member	AC, EC	7(7)
Mrs D Creevy	13/01/2022	4 yrs		Member	RC	7(7)
Ms A Donnell	29/11/2022	1 yr	16/06/23*	Student	EC	0(4)
Mrs S Fisher	13/01/2022	4 yrs		Member	RC	6(7)
Mr S Gillespie	24/01/2020	4 yrs		Co-opted	AC	6(7)
Mrs M Gormley	13/01/2022	4 yrs		Member	AC	7(7)
Mr K Kennedy	01/07/2022	4 yrs		Member	RC	4(7)
Mrs J McKeever	13/01/2022	4 yrs		Member/ Temporary Chair ¹	EC	7(7)
Mr P McKeown	14/04/2022	**	25/09/2022	Interim Principal & CE ²	EC, RC	0(0)
Mrs S McMahon	01/07/2023	4 yrs		Member		0 (0)
Mr L Murphy	05/05/2014	**		Principal & CE ²	EC, RC	7(7)
Mr B O'Neill	01/07/2022	4 yrs		Member	RC	6(7)
Prof M O'Neill	11/06/2021	4 yrs		Co-opted Member/ Temporary Chair ¹	AC, EC	6(7)
Mr B Quinn	01/08/2019	4 yrs	31/07/2023	Member	RC	7(7)
Mrs C Shongo	13/01/2022	4 yrs		Member	AC	7(7)
Mr F Smyth	01/07/2022	4 yrs		Member	AC	6(7)
Mr P Thompson	13/01/2022	4 yrs		Member	EC	6(7)
Ms V Toland	29/04/2022	4 yrs		Staff Member	EC	6(6)

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STRATEGIC REPORT
FOR THE YEAR ENDED 31 JULY 2023**

- AC - Audit and Risk Committee
EC - Education Committee
RC - Resources Committee
() - Number of meetings members eligible to attend
* - Term of Office completes on 30/09/2023 or until the date on which she ceases to be a student at the College, whichever first occurs.
** - The Principal is a member of the Governing Body while he holds the office of Principal.
1 - Mrs J McKeever served as Temporary Chair from 1 July 2022 to 31 May 2023. Prof M Ó'Néill took on the role as Temporary Chair from 1 June 2023.
2 - Mr L Murphy was seconded to South West College from 01/04/2022 to 26/09/22
Mr P McKeown became Interim Principal & Chief Executive for the duration of the secondment which ended on 25/09/2022.

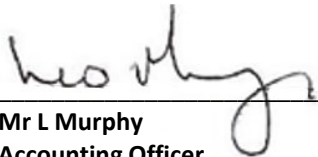
For and on behalf of the members of the Governing Body



21 November 2023

Prof M Ó'Néill
Chair

Date



21 November 2023

Mr L Murphy
Accounting Officer

Date

Remuneration & Staff Report

Members of the Governing Body

Members of the Governing Body and the Chairperson are appointed in accordance with the Code of Practice of the Office of the Commissioner for Public Appointments for Northern Ireland.

The Members of the Governing Body and the Chairperson are appointed for a fixed period of up to four years. Thereafter they may be re-appointed in accordance with the Code of Practice.

No member of the Governing Body (excluding staff members) receives pension contributions from the College or the Department. The College reimburses the Chairperson and Members of the Governing Body for any incidental expenses incurred for carrying out their duties relevant to the organisation.

The remuneration of Governing Body members (excluding staff members) was first introduced by the Department from 1st January 2016. There are no arrangements in place for the payment of a bonus.

The remuneration of Chairperson and Board members is as follows:

	2022/23		2021/22	
	Salary and Allowances	Benefits in Kind	Salary and Allowances	Benefits in Kind
	£'000	£'000	£'000	£'000
Mr G Finnegan (Chair until 30/01/2022)	0	-	10-15	-
Mr G Killeen (Acting Chair 31/01/2022-30/06/2022)	0	-	10-15	-
Mrs J McKeever (Temporary Chair since 01/07/2022)	15-20	-	0-5	-
Mr S McGregor*	0	-	0-5	-
Mr M O'Kane*	0	-	0-5	-
Mr B Quinn	0-5	-	0-5	-
Ms R Dougherty*	0	-	0-5	-
Dr N Hand*	0	-	0-5	-
Prof M Ó Néill	5-10	-	0-5	-
Mr D Ferns*	0	-	0-5	-
Mrs D Creevy	0-5	-	0-5	-
Mrs S Fisher	0-5	-	0-5	-
Mrs M Gormley	0-5	-	0-5	-
Mr K Kennedy	0-5	-	0-5	-
Mr B O'Neill*	0	-	0-5	-
Mrs C Shongo	0-5	-	0-5	-
Mr F Smyth	0-5	-	0-5	-
Mr P Thompson	0-5	-	0-5	-
Ms A Donnell	0-5	-	n/a	-
Mr P Canavan*	0	-	0	-

* Members who have chosen not to claim remuneration.

Mr P Canavan's appointment ended on 30/06/2023.

Mr B Quinn's appointment ended on 31/07/2023.

The Principal & Chief Executive and Directors

The Principal & Chief Executive and the Directors' appointments are made in accordance with College's recruitment policy. The policy requires appointments to be made on merit on the basis of fair and open competition.

The Principal & Chief Executive and Directors hold permanent appointments. The Policy relating to notice periods is contained in the College's Staff Handbook.

Minimum pay levels

Minimum pay levels are dependent on College size and vary across the sector.

Progression

There is no incremental progression for the Principal & Chief Executive as he is paid on a one-point scale according to College size. However, if the College size increases he will automatically move to a new salary point.

At initial appointment, the Directors are normally placed on the bottom point of the four-point scale relevant to the size of their College. Thereafter, there is annual incremental progression up the scale until the maximum of the scale is reached. A common incremental date of September is used for all Directors. If the College increases in size a Director will automatically move to the new relevant salary scale.

Performance Pay

There is no performance pay or related scheme for any Director.

Total reward package

The Principal & Chief Executive and Directors within Colleges have access to either the Northern Ireland Teachers' Pension Scheme (NITPS) or Northern Ireland Local Government Officers' Superannuation Scheme (NILGOSC).

Directors' posts are based on 36 hours per week and post holders have access to the Colleges' Maternity Leave Scheme, Paternity Leave Scheme, Adoption Leave Scheme and Flexible Working arrangements.

All Senior Staff have 35 days holiday entitlement and a further twelve statutory and public holidays as recognised by the sector.

Service contracts

College appointments are made on merit on the basis of fair and open competition. Unless otherwise stated, the officials covered by this report hold appointments which are open ended. Early termination, other than for misconduct, would result in the individual being entitled to receive compensation.

Salary and pension entitlements

The following sections provide details of the remuneration and pension interests of the most senior management of the College.

Remuneration (Audited)

Senior Management	2022/23				2021/22			
	Salary	Benefits in kind	Pension benefits	Total	Salary	Benefits in kind	Pension benefits	Total
	£'000	£	£'000**	£'000	£'000	£	£'000	£'000
Mr L Murphy* Principal & Chief Executive	115-120	Nil	29	145-150	115-120	Nil	30	145-150
Mr P McKeown Finance Director	85-90	Nil	17	105-110	90-95	Nil	18	110-115
Dr C O'Mullan Director of Curriculum & Academic Standards (since 01/04/2022)	75-80	Nil	1	75-80	25-30	Nil	Nil	25-30

*NWRC paid Leo Murphy in the band £115-120k in 2022/23. However, Leo Murphy was seconded to South West College from 01/04/2022 – 26/09/2022. NWRC received income in the band £25-30k (net of employer's contributions) from SWC in respect of this secondment for the period 01/08/2022-26/09/2022 (£35-40k for the period 01/04/2022-31/07/2022). Patrick McKeown acted as Interim Principal & Chief Executive of NWRC for the duration of the secondment.

No member of the Directorate received bonuses, overtime, recruitment and retention allowances, private office allowances and any other allowance to the extent that it is subject to UK taxation.

Senior staff were awarded a payrise of 1% from September 2020 which was paid in January 2022.

** The value of pension benefits accrued during the year is calculated as (the real increase in pension multiplied by 20) plus (the real increase in any lump sum) less (the contributions made by the individual). The real increases exclude increases due to inflation or any increase or decreases due to a transfer of pension rights.

Salary

'Salary' includes gross salary; performance pay or bonuses; overtime; recruitment and retention allowances; private office allowances and any other allowance to the extent that it is subject to UK taxation.

Benefits in kind

The monetary value of benefits in kind covers any benefits provided by the employer and treated by HM Revenue and Customs as a taxable emolument. No senior staff received any benefits in kind.

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REMUNERATION REPORT
FOR THE YEAR ENDED 31 JULY 2023**

Pay Ratios (Audited)

Reporting bodies are required to disclose the relationship between the remuneration of the highest paid Director in their organisation and the lower quartile, median and upper quartile remuneration of the organisation's workforce.

The banded remuneration of the highest-paid director in NWRC in 2022/23 was £115-120k (2021/22, £115-120k). The relationship between the mid-point of this band and the remuneration of the organisation's workforce is disclosed below:

2022/23	25th percentile	Median	75th percentile
Total Remuneration (£)	24,268	32,020	39,287
Pay Ratio	4.8:1	3.7:1	3.0:1

2021/22	25th percentile	Median	75th percentile
Total Remuneration (£)	22,088	27,514	39,571
Pay Ratio	5.3:1	4.3:1	3.0:1

Percentage Change in Remuneration (Audited)

Reporting bodies are required to disclose the percentage change from the previous financial year in the: (i) salary and allowances, (ii) performance pay and bonuses, of the highest paid director and of the employees as a whole.

The percentage changes in respect of NWRC are shown in the table below. It should be noted that the calculation of the highest paid director is based on the mid-point of the band within which their remuneration fell each year.

	2022/23 compared to 2021/22
Percentage change for:	
Average employee salary and allowances	3.89%
Highest paid director's salary and allowances	0%

There is no performance related pay for the highest paid director or any other employee.

Pension Entitlements (Audited)

Senior Management	Accrued pension at pension age as at 31/7/23 and related lump sum £'000	Real increase in pension and related lump sum at pension age £'000	CETV at 31/7/23 £'000	CETV at 31/7/22 £'000	Real increase in CETV £'000
Mr L Murphy, Principal & Chief Executive	55-60 Plus lump sum of 155-160	5-10 Plus lump sum of 10-15	1,419	1,195	224
Mr P McKeown, Finance Director	40-45 Plus lump sum of 40-45	0-5 Plus lump sum of 0-5	789	615	104
Dr C O'Mullan, Director of Curriculum & Academic Standards	0-5 Plus lump sum of 0	0 Plus lump sum of 0	3	0	3

Pension arrangements

NITPS

The Northern Ireland Teachers' Pension Scheme (NITPS) is a funded defined benefit scheme. The NI Teachers' Pension Scheme design was reformed from 1 April 2015. Existing scheme members who satisfied certain criteria remained in the existing final salary arrangements, whilst others started to have their benefits calculated using a combination of career average and final salary arrangements. This transitional protection arrangement was, however, considered discriminatory. Thus, the government has introduced primary legislation to make the necessary changes to remedy the discrimination within public service pension schemes. In NITPS the remedy is being implemented in two stages:

- **Stage 1:** The first stage is focused on the technical amendments that are needed to the Northern Ireland Teachers' Pension Scheme regulations to comply with the primary legislation introduced within the Public Service Pensions Scheme & Judicial Offices (PSPJO) Bill. The changes being implemented are:
 - the final salary (legacy) scheme will close to further accrual on 31 March 2022; and
 - all active members of the Scheme will build up pension benefits within the existing career average (reform) scheme from 1 April 2022.

Stage 1 is complete with all active members of the NITPS becoming members of the 2015 reformed scheme (career average) from 1 April 2022, irrespective of age.

- **Stage 2:** This is retrospective remedy, which will allow eligible members the choice between their legacy scheme (final salary) or 2015 reformed scheme (career average) for the remedy period (1 April 2015 to 31 March 2022). The consultation opened on 21 April 2023 and closed on 16 June 2023.

All new entrants joining the NITPS have their benefits calculated totally on a Career Average Revalued Earnings (CARE) basis. CARE schemes accumulate pension based on a fraction of pensionable earnings each year – for NITPS this is 1/57th.

NILGOSC

The assets of the NILGOSC scheme are measured using closing market values. NILGOSC liabilities are measured using the projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability. The increase in the present value of the liabilities of the scheme expected to arise from employee service in the period is charged to the operating surplus. The expected return on the scheme's assets and the increase during the period in the present value of the scheme's liabilities, arising from the passage of time, are included in pension finance costs. Actuarial gains and losses are recognised in the Other Comprehensive Income section of the Statement of Comprehensive Income and Expenditure.

The actuarial assumptions include:

▪ **Guaranteed Minimum Pension ("GMP") Indexation**

In order to ensure smooth transition to the single tier State pension and equalisation of GMP benefits between males and females, the Government introduced an interim solution in March 2016 in respect of people who are in public service pension schemes and who have a State Pension Age ("SPA") between 6 April 2016 and 5 December 2018, whereby full inflationary increases will be provided by the Fund. In January 2018, this interim solution was extended to members who reach SPA between 6 December 2018 and 5 April 2021.

An announcement on 23 March 2021 further confirmed that public sector schemes will need to provide full indexation to members with a GMP state pension age beyond 5 April 2021.

The 2022 Valuation included an allowance for the additional liability potentially arising as a result of GMP indexation for all members reaching State Pension Age after 5 April 2021. The 2022 Valuation was used as the starting point for the roll forward calculation of the accounting Defined Benefit Obligation (DBO) at 31 July 2023 and therefore the DBO calculated at 31 July 2023 implicitly includes an allowance for GMP indexation.

The 31 July 2023 accounting valuation does not include any further allowance for GMP indexation.

▪ **Goodwin Ruling**

A legal challenge has been made against the Government in respect of unequitable benefits for male dependants of female members (based on service after 1988) following the earlier Walker ruling. The Walker ruling made it necessary for public service pension schemes to provide survivors of registered civil partnerships or same-sex marriages with benefits that replicate those provided to widows. However, widows' pensions were generally introduced in public service schemes in the 1970s whereas a male widower of a female member historically only received benefits based on service from 6 April 1988.

An Employment Tribunal on 30 June 2020 has upheld the claim, and as a result the valuation has allowed for an additional liability in respect of the Goodwin ruling. An additional liability of £68k (0.1% of DBO) has been included in the past service cost recognised in the year ended 31 July 2022. The Defined Benefit Obligation at 31 July 2023 also includes this allowance. No further allowance has been proposed at 31 July 2023.

▪ **McCloud Ruling**

Two employment tribunal cases were brought against the Government in relation to possible discrimination in the implementation of transitional protection following changes made to public service pension scheme legislation in 2014. The claimants challenged the transition protection arrangements on the grounds of direct age discrimination, equal pay and indirect gender and race discrimination. In December 2018, the Court of Appeal ruled that the transitional protections gave rise to unlawful discrimination on the basis of age. The Government requested leave to appeal this decision to the Supreme Court, however the request was denied on 27 June 2019.

As a result, certain scheme members had to be compensated for any discrimination suffered as a result of the transitional protections. The changes to legislation were implemented in 2015 for the NILGOSC Fund and therefore this only impacts benefits accrued from 1 April 2015 for those members who were active at that date.

The 2022 Valuation included an allowance for the past service additional liability potentially arising as a result of McCloud underpin. The 2022 Valuation was used as the starting point for the roll-forward calculation at 31 July 2023 and therefore the DBO calculated at 31 July 2023 implicitly includes an allowance for the McCloud underpin for past service.

▪ **Elevated mortality experience**

During the accounting period, the UK has continued to experience elevated mortality experience with a sustained level of over 1,000 excess deaths per week (on average) seen since Q2 of 2022. This experience could be directly attributed to COVID-19 over the years following the pandemic, but recent evidence suggest that excess deaths are now primarily due to other causes. This sustained and less volatile experience, than seen during 2020 and 2021, has caused the CMI to adjust its core parameters in the latest release of the mortality projections mode, CMI_2022, to give weight to post-pandemic experience for the first time. The CMI's view is that 2022 experience may be indicative of future mortality to some extent.

The assumption for future projections in longevity has been updated to use the most recent projections available, the CMI 2022 projections, to make allowance for the current elevated mortality experience.

NEST

National Employment Savings Trust (NEST) is a defined contribution workplace pension scheme which was set up to facilitate Automatic Enrolment as part of the workplace pension reforms under the Pensions Act 2008. The NEST Scheme is run by NEST Corporation which is a non-departmental public body that is accountable to Parliament through the Department for Work & Pensions.

There have been no enhanced pension benefits paid to any senior post holders in the College.

Cash Equivalent Transfer Values

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies. The CETV figures include the value of any pension benefit in another scheme or arrangement which the individual has transferred to the NILGOSC pension arrangements and for which the Fund has received a transfer payment commensurate with the additional pension liabilities being assumed. CETVs are calculated in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

Real increase in CETV

This reflects the increase in CETV effectively funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

Exit Packages

There were no exit packages paid in the year ended 31 July 2023.

**NORTH WEST REGIONAL COLLEGE
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Staff Report (Audited Information)

Staff costs and average numbers of staff employed by the College during the year are disclosed in Note 6 to the Financial Statements.

The College has not employed any Agency staff during the year.

Staff Composition

Based on the Quarterly Business Survey the total number of staff contracted as at 9 June 2023 was 714 split as follows:

Male: 286 – 40%

Female: 428 – 60%

Sickness/Absence Data

The sickness/absence data for the year ended 31 July 2023 is shown in the table below:

Sickness/Absence Data	2022-23	2021-22
No of days absent	6,275	5,164
Time Lost	3.6%	3.0%
Average Day Lost per employee	7.5 days	7 days

Staff Turnover

Staff turnover (excluding Part Time Lecturers) for the year 1 August 2022 to 31 July 2023 was 5.5%.

Off Payroll Engagements

The College had 10 off-payroll engagements during the year. The off-payroll working rules (IR35) were applied to each of these engagements.

Equality of Opportunity and Employment of Disabled Persons

By virtue of Section 75 of the Northern Ireland Act 1998 the North West Regional College in carrying out all its functions, powers and duties and is required to have due regard to the need to promote equality of opportunity:

- a) between persons of different religious belief, political opinion, racial group, age, marital status or sexual orientation;
- b) between men and women generally;
- c) between persons with a disability and persons without; and
- d) between persons with dependants and persons without.

Without prejudice to its obligations above, the College has, in carrying out its functions, had regard to the desirability of promoting good relations between persons of different religious belief, political opinion or racial group. The College has included the promotion of good relations as part of the corporate planning process.

The College is committed to the fulfilment of its Section 75 obligations in all parts of its organisation. The College is committed to allocating necessary resources to ensure that the statutory duties are complied with and that the measures within the Equality Scheme to promote equality of opportunity are implemented effectively and on time.

Staff Development

The College is committed to learning and development for all staff which contributes to high standards of work performance, enables the sharing of ideas and the dissemination of good practice, builds strong and effective teams, encourages professional development and results in continuous improvement in the quality of services to our students and stakeholders.

During the 22/23 academic year, the College supported 18 employees in successfully achieving their Certificate in Teaching (CIT) and a further 13 employees in achieving their Postgraduate Certificate in Further Education (PGCEFE) with 100% pass rate in both qualifications.

During the 22/23 academic year there was a strong focus on Leadership and Management, a range of Leadership and Management courses were offered to College employees.

14 employees successfully completed the Emerging Leaders Programme through the Clinton Institute at Queens University Belfast. The Emerging Leaders programme provided our leaders with the opportunity to refine and recharge their leadership approach to maximize their influence and impact. The programme focused on promoting greater self-awareness among our leaders and building adaptive resilience to navigate and embrace change. The programme explored leadership coaching techniques and focused on how to motivate individuals and teams to achieve high performance.

Further leadership and management training was provided through a series of Curriculum Manager workshops which provided our Curriculum Managers with training on Managing Budgets, Managing Staff, College Policies and Procedures and Curriculum Planning.

Further to the Leadership and Management training, various Equality related training events were held in the academic year 22/23. These included Autism Awareness, British Sign Language (BSL), Deaf Awareness, Mental Health First Aid, Neurodiversity Awareness, Sexual Orientation training and Welcoming Refugees to FE Colleges workshops.

A Digital Skills Programme was developed and offered to staff. The following webinars took place:

- Tech Tools for Online Teaching
- Supporting the Learner Online
- Organising your Online Courses
- Establishing your Online Presence
- Planning and Facilitating Online Discussions
- Learning Resources for Online
- Tips for Effective Teaching when you have to teach at a distance.
- Planning for Assessment
- Strategies for Engagement
- Guidelines for Effective Remote Teaching
- Creating Engaging Assignments
- Using Microsoft Teams, One Drive, Stream, Canvas and Clickview.

Finally a number of Quality Enhancement training workshops were delivered throughout the 22/23 academic year to include: Completing SERs, Curriculum Planning and Managing Data and Compliance.

Consultation/Relationship with Recognised Trade Unions

During the year the College met with both Academic and Support staff trade unions, namely NIPSA and UCU, the College recognise the importance of consultation with Trade Union colleagues to ensure good relations across the college.

Statement of the Responsibilities of the Accounting Officer & Governing Body

Under the Further Education (NI) Order 1997, DfE (with approval from Department of Finance(DoF)), has directed the Governing Body to prepare, for each financial year, a statement of accounts in the form and on the basis set out in the Accounts Direction. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of North West Regional College and of its income and expenditure, Statement of Financial Position and cash flows for the financial year.

In preparing the financial statements the Accounting Officer on behalf of the Governing Body is required to:

- observe the Accounts Direction issued by DfE with the approval of DoF, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to assume that the College will continue in operation; and
- confirm that the Annual Report and Accounts as a whole is fair, balanced and understandable and take personal responsibility for the Annual Report and Accounts and the judgments required for determining that it is fair, balanced and understandable.

The Governing Body is also required to prepare an annual Strategic Report which describes what it is trying to do and how it is going about it, including the legal and administrative status of the College.

The maintenance and integrity of the College website is the responsibility of the Governing Body of the College; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

In addition, the Governing Body is responsible for securing the efficient and effective management of the College and ensuring that the College provides suitable and efficient further education.

The Accounting Officer of DfE has designated the Principal/Chief Executive as the Accounting Officer of the College. The responsibilities as an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding the College's assets, are set out in Managing Public Money Northern Ireland (MPMNI) published by DoF.

The Accounting Officer, on behalf of the Governing Body, has taken all the steps ought to have taken to make himself aware of any relevant audit information and to establish that North West Regional College's auditors are aware of that information. So far as the Accounting Officer is aware, there is no relevant audit information of which the auditors are unaware.

Approved by order of the Governing Body members on 21st November 2023 and signed on its behalf by:



Prof M Ó'Neill
Chair of Governing Body

Statement of Corporate Governance and Internal Control

The following statement is given to assist readers of the financial statements to obtain an understanding of the Governance procedures applied by the Governing Body of the College.

The College is an incorporated body established under the Further Education (Northern Ireland) Order 1997. Like most public bodies it operates within a strong framework of regulation. Not only does the College comply with all mandatory requirements but it also strives to operate that guidance which represents best practice. The Board operates within the corporate governance code.

SUMMARY OF THE COLLEGE'S STRUCTURE OF CORPORATE GOVERNANCE

Governing Body

The College's Governing Body is comprised of members appointed by the Minister for the Department for the Economy, staff and students of the College, the Principal & Chief Executive and members co-opted by the Governing Body. The role of the Chair of the Governing Body is separate from the role of the College Principal & Chief Executive. The Governing Body is responsible for the on-going strategic direction of the College whilst the Executive Officers are responsible for the operational management of the College. The Governing Body approves all major developments and receives regular reports on the activities of the College. The Governing Body met seven times during the 2022/23 academic year. The Governing Body is supported by three Committees; an Audit and Risk Committee, an Education Committee and a Resources Committee. All of these Committees are formally constituted with Terms of Reference and comprise mainly of members of the Governing Body.

At present the Board receives standing information for each meeting on key areas such as Finance, Human Resources and Performance. Briefing papers on other material issues are provided as they arise. The College aims to have all papers issued a week in advance of any Board meeting to allow members to review and where appropriate, to raise questions in advance. The relevant business area can then be requested to attend, support discussions or be required to produce more detailed information in advance of the meeting.

All statistical and financial information is provided by professional qualified teams within the College. For example, all financial information is prepared and provided by the College Accountant, Head of Finance and the Finance Director and is in accordance with the Financial Memorandum, Managing Public Money NI and relevant guidance from the Department for the Economy and the Department of Finance. Accordingly, the Board considers that it can take assurance as to the quality of the data it uses to inform decision making.

Full Minutes of Governing Body meetings are available from the Governance Secretary or on the College website. The Governance Secretary maintains a register of financial and personal interests of the Governing Body members and this is available for inspection.

Governing Body Evaluation

I consider that the Governing Body operated effectively during 2022/23, fulfilling its role as set out above.

A Governing Body Self-Assessment facilitated by the FE Corporate Governance & Accountability Branch of the Department for the Economy for the year 1 August 2022 to 31 July 2023 is ongoing. The outcome of the 2021/22 assessment provided the Governing Body with an opportunity to obtain feedback on how they operate, as well as benchmark themselves against other Governing Bodies in the Sector. In summary, the outcome for 2021/22 evaluation was favourable and demonstrated that the Governing Body operated effectively and that sound processes were in place to ensure robust monitoring of the North West Regional College and its performance. The percentage of respondents who agreed/strongly agreed with each of the themes within the questionnaire ranged from 96.8% to 100%.

Audit and Risk Committee

The Audit and Risk Committee is responsible for reviewing the effectiveness of the College's accounting procedures and systems of internal control. It provides a channel of communication from the College's auditors, which is not controlled by College management. It also must satisfy itself that adequate arrangements are in place to promote economy, efficiency and effectiveness. The Committee met four times during the 2022/23 academic year to discuss reports from the External and Internal Auditors and the relevant responses. It also receives and considers reports from the DfE. It reviews the College's annual Financial Statements to ensure compliance with legislation and accounting standards. Whilst Executive Officers and other officials attend meetings of the Audit and Risk Committee as necessary, they are not members of the Committee. The Committee can meet with auditors on their own for independent discussions. The Chair of the Committee provides a report of Committee meetings to the Governing Body in support of the Minutes which are formally adopted by the Governing Body. It has formally agreed Terms of Reference, which are reviewed on an annual basis.

Education Committee

The Education Committee is responsible for overseeing the curricular provision of the College, especially the nature, quality and performance of the provision and the extent to which it meets the socio-economic needs of the community the College seeks to serve. The Committee also monitors the standard of education and training provision by reviewing KPIs along with the Whole College Self-Evaluation and Quality Improvement Plans. The Committee receives regular reports on safeguarding, equality and social impact. The Committee has formally agreed Terms of Reference which are reviewed on a biennial basis. The Chair of the Committee provides a report of Committee meetings to the Governing Body in support of the Minutes, which are formally adopted by the Governing Body. The Committee met four times during the 2022/23 academic year.

Resources Committee

The Resources Committee inter alia supervises all matters relating to the finance and accounts of the College and the receipt of its income and the expenditure. It also supervises matters of estates. The Committee is responsible for dealing with issues in relation to the recruitment, appointment, promotion and grading of all staff, other than senior staff. It monitors the provision of HR Services. The Committee receives regular reports to assess and ensure compliance with legislation. The Committee has formally agreed Terms of Reference, which are reviewed on a biennial basis. The Chair of the Committee provides a report of Committee meetings to the Governing Body in support of the Minutes which are formally adopted by the Governing Body. The Committee met five times during the 2022/23 academic year.

For Membership and Attendance of Committees see table on pages 24-25.

Senior Staff

The Principal & Chief Executive attends all Governing Body meetings and sub-committee meetings. The Finance Director attends all Governing Body, Audit & Risk Committee and Resources Committee meetings. The Director of Curriculum & Academic Standards attends all Governing Body and Education Committee meetings. The HR Manager attends the Resources Committee – Staffing Business section of the meeting. The Head of Client Services attends the Education Committee meetings.

The Governing Body are satisfied with the quality and content of the information provided by management.

External Audit

The Comptroller and Auditor General has statutory responsibility for the audit of North West Regional College under the Further Education (NI) Order 1997 as amended by the Audit and Accountability Institutions of Further Education (Public Sector Audit) Order (NI) 2008.

The Northern Ireland Audit Office is independent of Government and is tasked by the Assembly to hold the Northern Ireland Departments and their Agencies to account for their use of public money.

The Comptroller and Auditor General works closely with the Assembly's Public Accounts Committee which can require Accounting Officers and senior officials to account for their actions in relation to the management of public funds.

A representative from the External Auditors is invited to North West Regional College's Audit and Risk Committee meetings.

Internal Control Processes

As Accounting Officer of the North West Regional College, I have responsibility for maintaining a sound system of internal control that supports the College's aims and objectives, while safeguarding the public funds and College assets for which I am personally responsible, in accordance with the responsibilities assigned to me in Managing Public Money Northern Ireland.

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify the risks to the achievement of College policies, aims and objectives, to evaluate the nature and extent of those risks and to manage them efficiently, effectively and economically. The system of internal control has been in place for the year ended 31 July 2023 and up to the date of approval of the annual report and accords with Department of Finance guidance. I have fully embedded the processes which the Department for the Economy has agreed should be established and confirmed their robustness.

I have implemented appropriate procedures to ensure that I have identified the College's objectives and risks and determined a control strategy for each of the significant risks. As a result, risk ownership is allocated to the appropriate staff and the College has set out its attitude to risk to the achievement of the College objectives. Staff are trained and equipped to manage risk in a way appropriate to their authorities and duties. I am not aware of any lapses of security during the year.

The College receives periodic reports concerning internal control and steps are taken to manage risks in significant areas of responsibility and monitor progress on key projects. The Audit & Risk Committee has lead responsibility for the periodic review of the risk framework and other records of risk. Management of risk categories has been allocated appropriately within the College. Any revision to the framework is discussed within the Audit & Risk Committee and recommended to the Governing Body. The Audit & Risk Committee reviews the Final Reports and Accounts and the ensuing Report to Those Charged with Governance.

The College maintains registers for related party transactions in order to ensure opportunities for conflicts of interest are avoided. These registers are maintained centrally and updated regularly and includes all members of the Governing Body, the Senior Management Team and middle management.

The College has appropriate Raising Concerns and Fraud Policies in place which are reviewed and updated periodically. The College also participates in the biennial National Fraud Initiative (NFI) exercise.

**NORTH WEST REGIONAL COLLEGE
STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL
FOR THE YEAR ENDED 31 JULY 2023**

Procedures are in place for verifying that aspects of risk management and internal controls are regularly reviewed and reported on. Risks are fully reviewed bi-annually and individual risk scores may change. In November 2022 and May 2023 all risks were reviewed and updated.

Risks are reported to and discussed at the Audit & Risk Committee of the Governing Body. Risk management has been incorporated fully into the corporate planning and decision making processes of the College. The appropriate steps have been taken to manage risks in significant areas of responsibility and progress on key projects has been monitored.

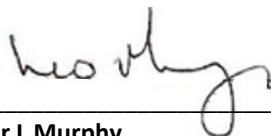
In addition to the actions mentioned above, in the coming year the College plans to:

- regularly review and update the record of risks facing the organisation;
- maintain the system of key performance and risk indicators; and
- maintain the organisation-wide risk register.

The College has an internal audit service, the work of which concentrates on areas of key activities determined by an analysis of the areas of greatest risk and in accordance with the annual Internal Audit Plan approved by the Governing Body. The Internal Auditors report to the Accounting Officer and to the Audit and Risk Committee on a regular basis and have direct access to the Governing Body and to the Chair of the Audit and Risk Committee.

The College's Internal Auditors have reported that based on the Internal Audit work which they have performed during the year, for the 12 months ended 31 July 2023, they can provide satisfactory assurance over the governance, risk management and control of the College.

It is my view as the Accounting Officer that the College has an effective risk management process in place and that the Corporate Risk Register is being managed on an active basis with specific action plans in place to address all risks. The review of the effectiveness of the system of internal control is also informed by the work of the senior officers within the College, who have responsibility for the development and maintenance of the internal control framework, and by comments made by the External Auditors in their Report to those Charged with Governance. As a result of my overall review of the effectiveness of the system of internal control, including risk management, I am content that no significant weaknesses have been identified. This has been confirmed by the Internal Auditors in their Annual Statement of Assurance.



Mr L Murphy
Accounting Officer

21 November 2023

Date

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

Opinion on financial statements

I certify that I have audited the financial statements of the North West Regional College for the year ended 31 July 2023 under the Further Education (Northern Ireland) Order 1997 as amended by the Audit and Accountability Institutions of Further Education (Public Sector Audit) Order (Northern Ireland) 2008. The financial statements comprise the Statements of: Comprehensive Income and Expenditure, Changes in Reserves, Financial Position, Cash Flows and the related notes including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom accounting standards including FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

I have also audited the information in the Remuneration and Staff Report that is described in that report as having been audited.

In my opinion the financial statements:

- give a true and fair view of the state of North West Regional College's affairs as at 31 July 2023 and of its deficit for the year then ended;
- have been prepared in accordance with the Further Education (Northern Ireland) Order 1997 as amended by the Audit and Accountability Institutions of Further Education (Public Sector Audit) Order (Northern Ireland) 2008 and the Department for the Economy directions issued thereunder.

Opinion on regularity

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

Basis for opinions

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

Conclusions relating to going concern

In auditing the financial statements, I have concluded that North West Regional College's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on North West Regional College's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

The going concern basis of accounting for North West Regional College is adopted in consideration of the requirements set out in the Government Reporting Manual, which require entities to adopt the going concern basis of accounting in the preparation of the financial statements where it anticipated that the services which they provide will continue into the future.

My responsibilities and the responsibilities of the Accounting Officer and Governing Body with respect to going concern are described in the relevant sections of this report.

Other Information

The other information comprises the information included in the annual report other than the financial statements, the parts of the Remuneration and Staff Report described in that report as having been audited and my audit certificate and report thereon. The Accounting Officer and Governing Body are responsible for the other information reported in the annual report. My opinion on financial statements does not cover the other information and except to the extent otherwise explicitly stated in my report, I do not express any form of assurance conclusion thereon.

My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Opinion on other matters

In the light of the knowledge and understanding of North West Regional College and its environment obtained in the course of the audit, I have not identified material misstatements in the Strategic Report, Remuneration and Staff Report, Statement of the Responsibilities of the Accounting Officer and the Governing Body and Statement of Corporate Governance and Internal Control.

In my opinion, based on the work undertaken in the course of the audit:

- the parts of the Remuneration and Staff Report to be audited have been properly prepared in accordance with Department for the Economy directions made under the Further Education (Northern Ireland) Order 1997 as amended by the Audit and Accountability Institutions of Further Education (Public Sector Audit) Order (Northern Ireland) 2008; and
- the information given in the Strategic Report, Remuneration and Staff Report, Statement of the Responsibilities of the Accounting Officer and the Governing Body and Statement of Corporate Governance and Internal Control for the financial year for which the financial statements are prepared are consistent with the financial statements.

Matters on which I report by exception

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

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

Responsibilities of the Accounting Officer and Governing Body

As explained more fully in the Statement of Responsibilities of the Accounting Officer and Governing Body, the Accounting Officer and Governing Body are responsible for:

- the preparation of the financial statements in accordance with the applicable financial reporting framework and for being satisfied that they give a true and fair view;
- ensuring the annual report, which includes the Remuneration and Staff Report, is prepared in accordance with the applicable financial reporting framework;
- such internal controls as the Accounting Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error;
- assessing the North West Regional College's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Accounting Officer anticipates that the services provided by North West Regional College will not continue to be provided in the future.

Auditor's responsibilities for the audit of the financial statements

My objectives are to audit, certify and report on the financial statements in accordance with the Further Education (Northern Ireland) Order 1997 as amended by the Audit and Accountability Institutions of Further Education (Public Sector Audit) Order (Northern Ireland) 2008.

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue a certificate that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) 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.

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulation, including fraud.

My procedures included:

- obtaining an understanding of the legal and regulatory framework applicable to North West Regional College through discussion with management and application of extensive public sector accountability knowledge. The key laws and regulations I considered included Further Education (Northern Ireland) Order 1997 as amended by the Audit and Accountability Institutions of Further Education (Public Sector Audit) Order (Northern Ireland) 2008;
- making enquires of management and those charged with governance on North West Regional College's compliance with laws and regulations;
- making enquiries of internal audit, management and those charged with governance as to susceptibility to irregularity and fraud, their assessment of the risk of material misstatement due to fraud and irregularity, and their knowledge of actual, suspected and alleged fraud and irregularity;
- completing risk assessment procedures to assess the susceptibility of North West Regional College's financial statements to material misstatement, including how fraud might occur. This included, but was not limited to, an engagement director led engagement team discussion on fraud to identify particular areas, transaction streams and business practices that may be susceptible to material misstatement due to fraud. As part of this discussion, I identified potential for fraud in the following areas: revenue recognition and posting of unusual journals;
- engagement director oversight to ensure the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with the applicable legal and regulatory framework throughout the audit;
- documenting of internal controls in place to mitigate risk of material misstatement due to fraud and non-compliance with laws and regulations;
- designing audit procedures to address specific laws and regulations which the engagement team considered to have a direct material effect on the financial statements in terms of misstatement and irregularity, including fraud. These audit procedures included, but were not limited to, reading board and committee minutes, and agreeing financial statement disclosures to underlying supporting documentation and approvals as appropriate;
- addressing the risk of fraud as a result of management override of controls by:
 - o performing analytical procedures to identify unusual or unexpected relationships or movements;
 - o testing journal entries to identify potential anomalies, and inappropriate or unauthorised adjustments;
 - o assessing whether judgements and other assumptions made in determining accounting estimates were indicative of potential bias; and
 - o investigating significant or unusual transactions made outside of the normal course of business;
- applying tailored risk factors to datasets of financial transactions and related records to identify potential anomalies and irregularities for detailed audit testing.

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

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

Report

I have no observations to make on these financial statements.



Dorinnia Carville
Comptroller and Auditor General
Northern Ireland Audit Office
106 University Street
BELFAST
BT7 1EU

27 November 2023

Statement of Comprehensive Income and Expenditure

	Notes	2023 £'000	2022 £'000
Income			
Department for the Economy Grants	1	35,192	35,198
Education contracts	2	2,017	2,186
Tuition fees and charges	3	1,684	1,813
Other grant income	4	1,101	970
Other operating income	5	1,406	1,287
Interest receivable		146	-
		<hr/>	<hr/>
Total Income		41,546	41,454
Expenditure			
Staff costs	6	27,988	28,949
Other operating expenses	8	11,338	11,788
Depreciation and amortisation	11 & 12	3,990	3,639
Interest and other finance costs	9	688	950
		<hr/>	<hr/>
Total Expenditure		44,004	45,326
Deficit before other gains/losses and exceptional items		(2,458)	(3,872)
Gain on disposal of assets		-	24
Exceptional holiday pay provision	17	-	(9)
		<hr/>	<hr/>
Deficit before tax		(2,458)	(3,857)
Taxation	10	-	-
		<hr/>	<hr/>
Deficit for the year		(2,458)	(3,857)
Unrealised surplus on revaluation of Land & Buildings	11	6,768	6,422
Release from revaluation reserve on disposal of Maydown		(572)	-
Actuarial gain in respect of pension scheme	19	10,703	15,578
		<hr/>	<hr/>
Total comprehensive income for the year		14,441	18,143
Represented by:			
Unrestricted comprehensive income for the year		(30)	556
Pension Reserve comprehensive income for the year		9,739	12,360
Revaluation Reserve Comprehensive income for year		4,732	5,227
		<hr/>	<hr/>
		14,441	18,143

All amounts above relate to the continuing operations of the College.

The accompanying accounting policies and notes form an integral part of these financial statements.

Statement of Changes in Reserves

	Unrestricted Reserves	Pension Reserve	Revaluation Reserve	Total
	£'000	£'000	£'000	£'000
Balance at 1 August 2021	3,025	(18,675)	37,228	21,578
Deficit from income and expenditure account	(639)	(3,218)	-	(3,857)
Other comprehensive expenditure	-	15,578	6,422	22,000
Transfers between revaluation and income and expenditure account	1,195	-	(1,195)	-
Release of restricted funds spent in year	-	-	-	-
Balance at 1 August 2022	3,581	(6,315)	42,455	39,721
Deficit from income and expenditure statement	(1,494)	(964)	-	(2,458)
Other comprehensive income/(expenditure)	-	10,703	6,768	17,471
Transfers between revaluation and income and expenditure account	1,464	-	(1,464)	-
Release from revaluation reserve on disposal of Maydown	-	-	(572)	(572)
Release of restricted funds spent in year	-	-	-	-
Total comprehensive income/ (expenditure) for the year	(30)	9,739	4,732	14,441
Balance at 31 July 2023	3,551	3,424	47,187	54,162

The accompanying accounting policies and notes form an integral part of these financial statements.

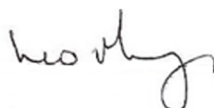
Statement of Financial Position

	Notes	2023 £'000	2022 £'000
Non Current Assets			
Tangible fixed assets	11	86,987	83,204
Intangible assets	12	325	369
Pension asset	19	3,424	-
		<u>90,736</u>	<u>83,573</u>
Current Assets			
Trade & Other Receivables	14	2,699	2,556
Cash & Cash Equivalents	18	3,622	4,494
Total current assets		6,321	7,050
Less: Creditors amounts falling due within one year	15	<u>(10,487)</u>	<u>(9,745)</u>
Net current liabilities		(4,166)	(2,695)
Total assets less current liabilities		86,570	80,878
Less: Creditors amounts falling due after more than one year	16	<u>(31,420)</u>	<u>(33,854)</u>
		55,150	47,024
Provisions			
Holiday Pay Provision	17	(988)	(988)
Pension Provision	19	-	(6,315)
Net assets including pension liability		<u>54,162</u>	<u>39,721</u>
Unrestricted Reserves			
Income and expenditure reserve		3,551	3,581
Pension Reserve		3,424	(6,315)
Revaluation Reserve		47,187	42,455
		<u>54,162</u>	<u>39,721</u>
TOTAL		<u>54,162</u>	<u>39,721</u>

The financial statements on pages 46 to 78 were approved by the Governing Body of the North West Regional College on 21 November 2023 and were signed on its behalf by:



Prof M Ó'Neil
Chair of Governing Body
North West Regional College



Mr L Murphy
Accounting Officer
North West Regional College

The accompanying accounting policies and notes form an integral part of these financial statements.

Statement of Cash Flows

	Notes	2023 £'000	2022 £'000
Cash outflow from operating activities			
Deficit for the year		(2,458)	(3,857)
Adjustment for non-cash items			
Depreciation	11 & 12	3,990	3,639
Gain on disposal of assets		-	(24)
(Increase)/decrease in debtors		(148)	624
Increase/(decrease) in creditors		339	(1,851)
NILGOSC FRS 102 (28) Pension Adjustment		964	3,218
Movement in Holiday Pay Provision		-	9
Adjustment for investing or financing activities			
Interest receivable		(146)	-
Interest payable	9	451	609
Deferred capital grants release	1	(2,117)	(2,032)
Net cash inflow from operating activities		875	335
Cash flows from investing activities			
Bank interest received		129	-
Proceeds from sale of assets		-	24
Payments made to acquire fixed assets		(1,612)	(665)
Capital grants received		1,651	894
		168	253
Cash outflows from financing activities			
Interest element of finance lease & service concession payments	9	(451)	(609)
Capital element of lease		(1,464)	(1,269)
		(1,915)	(1,878)
Decrease in cash and cash equivalents in the year	18	(872)	(1,290)
Net funds at 1st August 2022		4,494	5,784
Net funds at 1st August 2023		3,622	4,494

In this statement, figures in brackets refer to cash outflows and all other figures are cash inflows to the College.

The accompanying accounting policies and notes form an integral part of these financial statements.

Statement of Principal Accounting Policies and Estimation Techniques

Statement of Accounting Policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

Basis of Preparation

These financial statements have been prepared on a going concern basis in accordance with the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education 2015 and in accordance with Financial Reporting Standards (FRS 102). The College is a public benefit entity and has therefore applied the relevant public benefit entity requirements of FRS102.

The Financial Statements are prepared in accordance with the historical cost convention except that certain freehold properties are shown at their re-valued amounts. They also conform to the Accounts Direction issued by the DfE.

Basis of Accounting

The financial statements are prepared in accordance with the historical cost convention modified by the revaluation of certain fixed assets and in accordance with applicable United Kingdom accounting standards.

Going Concern

The activities of the College, together with factors likely to affect its future development and performance are set out in the Strategic Report. The financial position of the College, its cash flow, liquidity and borrowings are described in the financial statements and accompanying Notes.

The College's forecasts and financial projections indicate that it will be able to operate within this existing facility and covenants for the foreseeable future.

The College is satisfied that the organisation is a going concern on the basis that there is no reason to believe that the department's future sponsorship and future assembly approval will not be forthcoming to meet the College's liabilities as they fall due. It has accordingly been considered appropriate to adopt the going concern basis for the preparation of these financial statements.

Recognition of Income

Government Grants (accruals model)

The recurrent grant and other revenue grants received from DfE (and other government bodies) are recognised in income over the periods in which the College recognises the related costs for which the grant is intended to compensate. Where part of a government grant is deferred it is recognised as deferred income within creditors and allocated between creditors due within one year and creditors due after more than one year as appropriate.

Tuition Fees

Income from tuition fees is recognised in the period for which it is received and includes all fees payable by students or their sponsors.

Non-Government Grants

Income from non-government grants, controls and other services rendered is included to the extent that the conditions of the funding have been met, or the extent of the completion of the contract or service concerned.

Interest

All income from short-term deposits is credited to the income and expenditure account in the year in which it is earned.

Capital Grants (non land grants) (accruals model)

Non-recurrent grants from DfE and other government bodies received in respect of the acquisition of fixed assets are recognised in income over the expected useful life of the asset.

Other Capital Grants

Other capital grants are recognised on income when the College is entitled to the funds subject to any performance related conditions being met.

Capital Grants (land grants)

Capital government grants for land are accounted for in accordance with the performance model which results in the recognition of the capital grant on receipt.

Pension Scheme

The two principal pension schemes for the College's staff are the Northern Ireland Teachers' Pension Scheme (NITPS) and the Northern Ireland Local Government Officers' Superannuation Committee (NILGOSC) defined benefit schemes, which are externally funded and contracted out of the State Earnings Related Pension Scheme. National Employment Savings Trust (NEST) is a defined contribution workplace pension scheme which was set up to facilitate Automatic Enrolment as part of the workplace pension reforms under the Pensions Act 2008.

The NITPS is an unfunded contributory, voluntary membership scheme administered by the Department of Education. The current regulations under which the scheme operates are the Teachers' Superannuation Regulations (NI) 1998 (as amended). The NITPS is a multi-employer scheme and the College is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The NITPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

NILGOSC is a defined benefit scheme which is externally funded and contracted out of the second state Pension Scheme. The Funds are valued every three years by actuaries using the projected unit method, the rates of contributions payable being determined by the trustees on the advice of the actuaries. Pension costs are assessed on the basis of the latest actuarial valuations of the schemes and are accounted for on the basis of charging the cost of providing pensions over the period during which the College benefits from the employees' services. Variations from regular cost are spread over the expected average remaining working lifetime of members of the schemes after making allowances for future withdrawals.

The difference between the fair value of the assets held in the College's defined benefit pension scheme and the scheme's liabilities measured on an actuarial basis using the projected unit method are recognised in the College's Statement of Financial Position as a pension scheme asset or liability as appropriate. The carrying value of any resulting pension scheme asset is restricted to the extent that the College is able to recover the surplus either through reduced contributions in the future or through refunds from the scheme.

Changes in the defined benefit pension scheme asset or liability arising from factors other than cash contribution by the College are charged to the Statement of Comprehensive Income.

Tangible Fixed Assets

- **Land and buildings**
Land and buildings (including those inherited from the Education and Library Board) are stated in the Statement of Financial Position at valuation on the basis of depreciated replacement cost (inclusive of non-recoverable VAT), as the open market value for existing use is not readily obtainable. The associated credit is included in the revaluation reserve. The difference between depreciation charged on the historic cost of assets and the actual charge for the year calculated on the re-valued amount is released to the income and expenditure account reserve on an annual basis. Land and buildings acquired since the last valuation are included in the Statement of Financial Position at cost. Freehold land is not depreciated. Freehold buildings are depreciated over their expected useful economic life to the College of between 11 and 50 years. The depreciation charge on buildings is based on the opening net book value. Where land and buildings are acquired with the aid of specific grants they are capitalised and depreciated as above. The related grants are credited to a deferred capital grant account and are released to the income and expenditure account over the expected useful economic life of the related asset on a basis which is consistent with the depreciation policy.

- **Assets other than land and buildings**

Assets other than land and buildings costing less than £3,000 per individual item are written off to the income and expenditure account in the period of acquisition. All other assets are capitalised at cost.

These assets are depreciated over their useful economic lives as follows:

Computers	- three years
Motor vehicles	- four years
Plant and Equipment	- five years
Fixture and Fittings	- six years
Other PFI assets	- various

Where these assets are acquired with the aid of specific grants the asset is capitalised and depreciated in accordance with the above policy, with the related grant being credited to a deferred capital grant account and released to the income and expenditure account over the expected useful economic life of the related asset.

Private Finance Initiative

Where it is concluded that the College has an asset of the property and therefore a liability to pay for it, these are recorded on the Statement of Financial Position. The initial amount recorded for each is the fair value of the property or if lower, the present value of the minimum lease payments determined at the inception of the lease. Subsequently, the asset is depreciated over its useful economic life.

Payments are allocated between service costs, finance charges and financial liability repayments to reduce the financial liability to nil over the life of the arrangement.

The College recognises the property when it comes into use, unless it bears significant construction risk, in this case the property is recognised as it is constructed.

Leased Assets

Costs in respect of operating leases are charged on a straight-line basis over the lease term.

Leasing agreements which transfer to the College substantially all the benefits and risks of ownership of an asset are treated as if the asset had been purchased outright and are capitalised at their fair value at the inception of the lease and are depreciated over the shorter of the lease term or the useful economic lives of equivalently owned assets. The capital element outstanding is shown as obligations under finance leases. The finance charges are allocated over the period of the lease in proportion to the capital element outstanding.

Investment Property

Fixed asset investments are measured at fair value with any changes in fair value being recognised immediately in the Statement of Comprehensive Income and Expenditure.

The College does not currently hold any fixed asset investments.

Intangible Assets

Intangible assets, greater than £3,000 per individual item, are capitalised. Software integral to an item of hardware is dealt with as a fixed asset.

Foreign Currency Translation

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the end of the financial period with all resulting exchange differences being taken to the income and expenditure account in the period in which they arise.

Taxation

As an exempt charity the College benefits by being broadly exempt from corporation tax on income it receives from tuition fees, interest and rents.

The College is exempted from levying VAT on most of the services it provides to students. For this reason, the College is partially exempt in respect of VAT so that it can only recover a minor element of VAT charged on its inputs. Irrecoverable VAT on inputs is included in the costs of such inputs and added to the cost. The formula used to calculate the partial exemption rate is based on a method approved by HMRC.

Liquid Resources

Liquid resources include sums on short-term deposits with recognised banks and building societies.

Provisions

Provisions are recognised when the College has a present legal or constructive obligation as a result of a past event. It is probable that a transfer of economic benefit will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Agency Arrangements

The College acts as an agent in the collection and payment of Hardship Funds and Care to Learn. Related payments received from DfE and subsequent disbursements to students are excluded from the Statement of Comprehensive Income and Expenditure and are shown separately in note 24, except for Hardship Funds received which are available to the College to cover administration costs relating to the grant. The College employs 1.75 members of staff dedicated to the administration of the Hardship fund applications and payments.

Critical accounting judgements and estimates

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the College's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are:

Pension Liability

The critical judgements of the pension liability schemes are included in the accounting policy note.

The key actuarial assumptions used in the valuation of the NILGOSC pension scheme, including discount rates, salary and pension increases, and mortality rates are reported in note 19.

Property, Plant and Equipment

Land and buildings (including those inherited from the Education and Library Board) are stated in the statement of financial position at valuation on the basis of depreciated replacement cost, including irrecoverable VAT, as the open market value for existing use is not readily obtainable.

Freehold buildings are depreciated over their expected useful economic life to the College as advised by the LPS.

All other depreciation is calculated based on assumptions of asset useful economic lives and expected residual value.

A change in depreciable life is treated as a change in accounting estimate.

Financial Instruments

Financial assets and financial liabilities are recognised when the College become a party to the contractual provisions of the instruments. Financial liabilities are classified according to the substance of the contractual arrangements being entered into. The College's financial assets and liabilities all meet the criteria for basic financial instruments, prescribed within FRS 102 Section 11.8.

Notes to the Financial Statements

1. DEPARTMENT FOR THE ECONOMY INCOME

	2023	2022
	£'000	£'000
Grant in Aid		
Recurrent grant	28,175	28,290
Release of deferred capital grant	2,117	2,032
Skills Focus	406	389
Minor Works	3	1
Employer Support Program	356	397
Private Finance Initiative (PFI)	1,703	1,647
Additional Support Funds	466	438
ERAP	-	305
Traineeships	648	214
Cost of Living Support	47	-
	<hr/>	<hr/>
Total Grant in Aid	33,921	33,713
	<hr/>	<hr/>
Non-Grant in Aid		
Educational Maintenance Allowance Administration	13	17
Higher Level Apprenticeships	222	205
Skills Intervention Funding	605	431
Academies	37	248
College Connect	103	82
FE Systems, Technology & Services Project	89	371
Curriculum Hub – Health & Social Care	-	7
Other	202	124
	<hr/>	<hr/>
Total Non-Grant in Aid	1,271	1,485
	<hr/>	<hr/>
Total DfE Income	35,192	35,198

**NORTH WEST REGIONAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023**

2. EDUCATION CONTRACTS

	2023	2022
	£'000	£'000
Entitlement Framework	417	408
Training for Success	1,600	1,778
Total	<u>2,017</u>	<u>2,186</u>

3. TUITION FEES AND CHARGES

	2023	2022
	£'000	£'000
Higher Education (HE) Income	972	1,157
Further Education (FE) Income	712	656
Total	<u>1,684</u>	<u>1,813</u>

Included within the above amounts are amounts which fund bursaries of £38k (2021/22: £53k)

4. OTHER GRANT INCOME

	2023	2022
	£'000	£'000
International Project Funds	204	151
Other Funds	897	819
Total	<u>1,101</u>	<u>970</u>

5. OTHER OPERATING INCOME

	2023	2022
	£'000	£'000
Catering and residence operations	180	146
Other income generating activities	1,037	969
Other income	189	172
Total	<u>1,406</u>	<u>1,287</u>

6. STAFF COSTS

The average number of persons (including senior post-holders) employed by the College during the year, expressed as full-time equivalents was:

	2023	2022
Teaching	315	326
Support	71	75
Administration	188	194
Premises	20	23
	<hr/>	<hr/>
Total	594	618

Staff costs for the above persons:

	2023	2022
	£'000	£'000
Teaching	16,091	15,459
Support	2,530	2,328
Administration	7,918	7,555
Premises	722	730
IAS 19 Adjustment (see Note 19)	727	2,877
	<hr/>	<hr/>
Total	27,988	28,949

	2023	2022
	£'000	£'000
Wages and salaries	20,914	19,890
Social security costs	2,000	1,973
Movement in Pension	727	2,877
Other pension costs	4,347	4,209
	<hr/>	<hr/>
Total	27,988	28,949

No payroll costs were capitalised in the year ended 31 July 2023.

6. STAFF COSTS (continued)

The number of senior post-holders and other staff who received emoluments, including pension contributions and benefits-in-kind, in the following ranges was:

	Senior Post-holders		Other staff	
	2023	2022	2023	2022
	No.	No.	No.	No.
£60,001 to £70,000	-	-	19	19
£70,001 to £80,000	1	-	12	13
£80,001 to £90,000	-	-	-	-
£90,001 to £100,000	-	-	-	-
£100,001 to £110,000	1	1	-	-
£110,001 to £120,000	-	-	-	-
£120,001 to £130,000	-	-	-	-
£130,001 to £140,000	-	-	-	-
£140,001 to £150,000	1	1	-	-
£150,001 to £160,000	-	-	-	-
Total	3	2	31	32

Support staff were awarded a payrise of £1,925 from April 2022 which was paid in December 2022.

7. SENIOR POST HOLDERS' EMOLUMENTS

Senior post holders are defined as the Principal & Chief Executive and holders of the other senior posts whom the Governing Body has selected for the purposes of the articles of government of the College relating to appointment and promotion of staff who are appointed by the Governing Body. Senior Post Holders do not, for the purposes of this note, include remunerated non-executive Governing Body members.

	2023	2022
	No.	No.
The number of senior post-holders including the Principal & Chief Executive who served during the year was:	3	3

Dr Catherine O'Mullan took up post as Director of Curriculum & Academic Standards on 1st April 2022.

Senior post-holders' emoluments are made up as follows:

	2023	2022
	£'000	£'000
Salaries	284	236
Pension Contributions	48	48
Total Emoluments	332	284

7. SENIOR POST HOLDERS' EMOLUMENTS (continued)

Senior post-holders' emoluments include amounts payable to the Principal & Chief Executive (who is also the highest paid senior post-holder) of:

	2023	2022
	£'000	£'000
Salaries	117	118
Benefits in kind	-	-
	<u>117</u>	<u>118</u>
Pension contributions	29	30
	<u>146</u>	<u>148</u>
Total	146	148

The pension contributions in respect of the Principal & Chief Executive and senior post-holders are in respect of employer's contributions to the Northern Ireland Teachers' Pension Scheme and the Northern Ireland Local Government Officers' Superannuation Scheme and are paid at the same rate as for other employees.

The members of the College other than the Principal & Chief Executive and the staff members did not receive any payment from the College other than the reimbursement of travel and subsistence expenses incurred in the course of their duties.

8. OTHER OPERATING EXPENSES

	2023	2022
	£'000	£'000
Direct Teaching	741	841
Direct Support	2,322	2,279
Administration	2,131	2,046
Premises	4,326	5,083
Unitary payments under PFI Contract	1,818	1,539
	<u>11,338</u>	<u>11,788</u>
Total	11,338	11,788

Other operating expenses include:

Auditors' remuneration		
- external audit	34	27
- internal audit	22	23
-National Fraud Initiative fees	1	-
Remuneration of Governing Body members	42	46
Hire of other assets-operating leases	35	35
	<u>134</u>	<u>131</u>

9. INTEREST AND OTHER FINANCE COSTS

	2023	2022
	£'000	£'000
On finance leases	451	609
Net charge on pension scheme	237	341
	<hr/>	<hr/>
Total	688	950

10. TAXATION

The members do not believe that the College was liable for any corporation tax arising out of its activities during this period.

11. TANGIBLE FIXED ASSETS

	Freehold Land & Buildings	PFI Assets	Plant & Equipment	Computers	Fixtures & Fittings	Motor Vehicles	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost or valuation							
At 1 August 2022	70,533	13,197	6,142	3,399	374	85	93,730
Additions	-	-	1,366	203	-	-	1,569
Revaluations	5,844	924	-	-	-	-	6,768
Disposals	(650)	-	-	-	-	-	(650)
At 31 July 2023	75,727	14,121	7,508	3,602	374	85	101,417
Depreciation							
At 1 August 2022	-	2,419	4,779	2,911	332	85	10,526
Charge for the year	2,454	557	607	275	11	-	3,904
At 31 July 2023	2,454	2,976	5,386	3,186	343	85	14,430
Net Book Value at 31 July 2023	73,273	11,145	2,122	416	31	-	86,987
Net Book Value at 31 July 2022	70,533	10,778	1,363	488	42	-	83,204

LAND AND BUILDINGS VALUE

If land and buildings (including those that were inherited/transferred) had not been revalued, they would have been included at the following amounts:

	2023	2022
	£'000	£'000
Land & buildings		
Cost/deemed cost on transition	64,786	65,612
Accumulated depreciation based on cost/deemed cost	(11,626)	(10,873)
Net book value based on cost/deemed cost	53,160	54,739
PFI buildings		
Cost/deemed cost on transition	9,834	9,834
Accumulated depreciation based in cost/deemed cost	(2,840)	(2,640)
Net book value based on cost/deemed cost	6,994	7,194

11. TANGIBLE FIXED ASSETS (continued)

The depreciation charge for the year is analysed as follows:

	2023	2022
	£'000	£'000
Owned assets	3,363	3,062
PFI assets	541	500
Total	3,904	3,562

12. INTANGIBLE FIXED ASSETS

	Learner Management System £'000
Cost or valuation	
At 1 August 2022	465
Additions	43
At 31 July 2023	<u>508</u>
Amortisation	
At 1 August 2022	96
Charge for the year	87
At 31 July 2023	<u>183</u>
Net Book Value at 31 July 2023	<u>325</u>
Net Book Value at 31 July 2022	<u>369</u>

The net book value of the intangible asset is a jointly owned and controlled asset among the six Further Education Colleges of Northern Ireland of which North West Regional College is the lead College. The asset is a Learner Management System that is operated centrally for the sector. The intangible asset is funded in full through a capital grant from the Department of the Economy - the College pays all the invoices and claims funding from DfE. Each College then shows one sixth of the cost in their financial statements.

13. SERVICE CONCESSION ARRANGEMENTS

The College has 1 on Statement of Financial Position PFI arrangement where service delivery has commenced.

The arrangement relates to the design, build and maintenance, for 25 years, of the Northland Building.

Capital repayments are being made over a 25-year period which is due to end in 2026.

Movement in service concession arrangement assets

The asset value of the service concession included in the Statement of Financial Position as at 31 July 2023 is £11,145k (31 July 2022: £10,778k). See Note 11.

Movement in service concession liabilities

The total liabilities relating to the service concession included in the Statement of Financial Position as at 31 July 2023 were £2,154k (31 July 2022: £3,618k). The sum of £1,464k was repaid during the year.

	Payable in 1 Year £'000	Payable in 2-5 years £'000	Payable in 6-10 years £'000	Total £'000
Liability repayments	1,684	470	-	2,154
Finance charge	268	176	-	444
Service charge	1,989	3,064	-	5,053
	<u>3,941</u>	<u>3,710</u>	<u>-</u>	<u>7,651</u>

14. TRADE & OTHER RECEIVABLES

	2023	2022
	£'000	£'000
Amounts falling due within one year:		
Trade receivables	455	318
Other receivables	38	110
Prepayments & accrued income	2,146	2,038
	<u>2,639</u>	<u>2,466</u>
Amounts falling due after one year:		
Surplus land receivable arising on PFI contract*	60	90
	<u>60</u>	<u>90</u>
Total	<u>2,699</u>	<u>2,556</u>

**The value of the surplus land given to the PFI operator as part of the contract is estimated at £750,000. It is assumed that the surplus land debtor is being recovered over the period of the PFI contract of 25 years (£30,000 per annum).*

**NORTH WEST REGIONAL COLLEGE
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FOR THE YEAR ENDED 31 JULY 2023**

15. CREDITORS: AMOUNTS FALLING DUE IN LESS THAN 1 YEAR

	2023	2022
	£'000	£'000
Service concession liabilities due within one year	1,684	1,464
Trade creditors	49	339
Taxation & social security	675	708
Deferred capital grants due with one year	2,213	2,032
Accruals & other deferred income	5,866	5,202
	<u>10,487</u>	<u>9,745</u>

Deferred income

Included within accruals and deferred income are the following items of income which have been deferred until specific performance related conditions have been met.

	2023	2022
	£'000	£'000
Grant income	721	1,683
Other income	383	333
	<u>1,104</u>	<u>2,016</u>

16. CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR

	2023	2022
	£'000	£'000
Deferred capital grants due after one year	30,950	31,700
Service concession liabilities due after one year	470	2,154
	<u>31,420</u>	<u>33,854</u>

Deferred Capital Grants

The movement in deferred capital grants in the year is summarised as follows:

	£'000
Balance at 1 August 2022	33,732
Received in year	1,626
Released in year	<u>(2,195)</u>
Balance at 31 July 2023	<u>33,163</u>
Due within one year	2,213
Due after one year	<u>30,950</u>
Balance at 31 July 2023	<u>33,163</u>

17. PROVISIONS FOR LIABILITIES AND CHARGES

	2023	2022
	£'000	£'000
At 1 August 2022	988	979
Additions in year	-	9
Amounts charged against provision in year	-	-
Unused amounts reversed in year	-	-
	<hr/>	<hr/>
At 31 July 2023	988	988

The provision relates to Holiday Pay resulting from the Court of Appeal (CoA) judgement (17 June 2019) in the case PSNI v Agnew. The CoA judgement determined that claims for Holiday Pay shortfall can be taken back to 1998.

The PSNI appealed the CoA judgement to the Supreme Court. In 2021, the case was paused to facilitate mediation, however, in March 2022 the PSNI were unable to obtain the required authorisation from the Department of Finance in respect of agreeing a potential financial settlement. The Supreme Court heard the case on 14th and 15th December 2022.

The Supreme Court made its ruling on 5 October 2023 where it dismissed the appeal and upheld the judgement of the CoA.

The £988k provision has been estimated by the College and covers the period from 1998 to 31 July 2020, following the Department of Finance approach outlined for Departmental Annual Reports and Accounts (FD (DoF) 08/20).

There are some very significant elements of uncertainty around this estimate for a number of reasons:

1. The outworking of the Supreme Court judgement and the application of the CoA's original judgement;
2. Lack of accessible data for years previous to 2008/09 requiring estimations to be applied;
3. Future negotiations with Trade Unions;
4. Obtaining legal advice on specific application of the ruling for the NI Further Education sector;
5. The provision is gross (inclusive of Employee National Insurance and PAYE) and
6. Taxation issues are under discussion with HMRC, by the wider NI public sector.

Therefore, the estimated provision outlined above is based on the application of DoF methodology, however there remains significant uncertainty over the amount and timing of future payments.

18. CASH AND CASH EQUIVALENTS

	At 1 August 2022 £'000	Cash Flows £'000	At 31 July 2023 £'000
Cash and cash equivalents	4,494	(872)	3,622

19. PENSION AND SIMILAR OBLIGATIONS

The College's employees belong to two principal pension schemes; the Northern Ireland Teachers' Pension Scheme (NITPS) for academic and related staff and the Northern Ireland Local Government Officers' Superannuation Committee (NILGOSC) for non-teaching staff. Both are defined benefit schemes.

National Employment Savings Trust (NEST) is a defined contribution workplace pension scheme which was set up to facilitate Automatic Enrolment as part of the workplace pension reforms under the Pensions Act 2008.

	2023 £'000	2022 £'000
Total pension cost for the year:		
NITPS: contributions paid	2,736	2,858
NEST: contributions paid	18	18
NILGOSC: contributions paid	1,450	1,399
NILGOSC: IAS 19 Adjustments	727	2,877
NILGOSC: Charge to the Statement of Comprehensive Income & Expenditure	2,177	4,276
Total	4,931	7,152

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest formal actuarial valuation of the NITPS was 31 March 2016 and NILGOSC was 31 March 2022.

19. PENSION AND SIMILAR OBLIGATIONS (continued)

NITPS

The NITPS is an unfunded contributory, voluntary membership scheme administered by the Department of Education. Until 1 April 2015 the scheme operated under the Teachers' Superannuation Regulations (NI) 1998 (as amended). Further information about the scheme is given in the explanatory booklet dated November 2007, and on the Department of Education's website at www.deni.gov.uk

The Public Service Pensions Act (Northern Ireland) 2014 provides for the closure of existing public sector pension schemes (including the NITPS) from 31st March 2015 and the establishment of new schemes based on a career average re-valued earnings model with normal pension age equal to state pension age introduced from 1 April 2015.

The Government Actuary's Department values the scheme every 4 years with an interim valuation in the intervening 2-year period using the projected accrued benefit method.

The employer contribution rate increased to 25.10% from 1 April 2019.

The salary bands applicable to member contributions for the NITPS, based on members' annual salary rate (actual earnings), from 1st April 2022 were;

Salary	1 April 2022 - 31 March 2023
Up to £29,188	7.40%
£29,188 to £39,291	8.60%
£39,291 to £46,587	9.60%
£46,587 to £61,743	10.20%
£61,743 to £84,194	11.30%
£84,194 and above	11.70%

Salary	1 April 2023 - 31 March 2024
Up to £32,136	7.40%
£32,136 to £43,260	8.60%
£43,260 to £51,293	9.60%
£51,293 to £67,980	10.20%
£67,980 to £92,698	11.30%
£92,698 and above	11.70%

The NITPS is a multi-employer pension scheme. The College is unable to identify its share of the underlying assets and liabilities of the scheme, and therefore, as required by FRS 102 (28) accounts for the scheme as if it were a defined-contribution scheme. As a result, the amount charged to the Statement of Comprehensive Income and Expenditure represents the contributions payable to the scheme in respect of the accounting period. The College has set out above the information available on the scheme and the implications for the College in terms of the anticipated contribution rates.

19. PENSIONS AND SIMILAR OBLIGATIONS (continued)

NILGOSC

NILGOSC is a defined benefit statutory scheme, administered in accordance with the Local Government Pension Scheme Regulations (Northern Ireland) 2002, as amended. It is contracted out of the state pension scheme.

The following information is based upon a full actuarial valuation of the NILGOSC fund at 31 March 2019 updated to 31 July 2022 by a qualified actuary.

	At 31 July 2023	At 31 July 2022
Principal actuarial assumptions at SoFP date are as follows:	%	%
Rate of increase in salaries	4.35	4.25
Rate of increase for pensions in payment/inflation	2.85	2.75
Pension accounts revaluation rate	2.85	2.75
Discount rates for scheme liabilities	5.10	3.55

The current mortality assumptions include sufficient allowance for the future improvements of mortality rates. The assumed life expectations on retirement age 65 are:

	At 31 July 2023	At 31 July 2022
Members aged 45 at accounting date		
Active/Deferred Males	21.9/22.2 years	22.8 years
Active/Deferred Females	24.9/25.2 years	26.1 years
Members aged 65 at accounting date		
Males	21.3 years	21.8 years
Females	24.1 years	25.1 years

19. PENSIONS AND SIMILAR OBLIGATIONS (continued)

The College's share of the assets and liabilities in the Scheme were:

	Asset Allocation at 31 July 2023	Value at 31 July 2023	Asset Allocation at 31 July 2022	Value at 31 July 2022
	%	£'000	%	£'000
Equities	42.9	16,527	38.6	14,382
Bonds	21.6	8,299	25.1	9,359
Property	10.4	3,985	12.3	4,565
Multi-asset credit	13.0	5,021	12.7	4,731
Cash/Other	12.1	<u>4,655</u>	11.3	<u>4,206</u>
		<u>38,487</u>		<u>37,243</u>

Amounts recognised in the SoFP

	2023	2022
	£'000	£'000
Fair value of plan assets	38,487	37,243
Present value of scheme liabilities	<u>(35,063)</u>	<u>(43,558)</u>
Surplus/(Deficit) in the scheme (Net pension asset/liability recorded within pension provisions)	<u>3,424</u>	<u>(6,315)</u>

Amounts recognised in the Statement of Comprehensive Income and Expenditure in respect of the plan are as follows:

Amounts included in staff costs

	2023	2022
	£'000	£'000
Current service cost	2,177	4,196
Past service cost	<u>-</u>	<u>80</u>
Total operating charge	<u>2,177</u>	<u>4,276</u>

Analysis of pension finance income/(costs)

	2023	2022
	£'000	£'000
Interest income on assets	(1,347)	(667)
Interest cost	<u>1,584</u>	<u>1,008</u>
Net charge	<u>237</u>	<u>341</u>

19. PENSION AND SIMILAR OBLIGATIONS (continued)

Analysis of Other Comprehensive Income and Expenditure for Pensions	2023	2022
	£'000	£'000
Remeasurement gains/(losses) on pension scheme assets	12,126	17,750
Actuarial gains/(losses) on scheme liabilities	(1,423)	(2,172)
	<hr/>	<hr/>
Total Other Comprehensive Income and Expenditure	10,703	15,578
	<hr/>	<hr/>
Movement in surplus/(deficit) during the year	2023	2022
	£'000	£'000
Deficit in scheme at 1 August 2022	(6,315)	(18,675)
Movement in the year:		
Current service cost	(2,177)	(4,196)
Employer contributions	1450	1,399
Past service cost/gain	-	(80)
Curtailement cost	-	-
Net interest	(237)	(341)
Actuarial gain recognised in other Comprehensive Income & Expenditure	10,703	15,578
	<hr/>	<hr/>
Surplus/(Deficit) in scheme at 31 July 2023	3,424	(6,315)
	<hr/>	<hr/>
Asset and Liability Reconciliation	2023	2022
	£'000	£'000
Reconciliation of Liabilities		
Liabilities at start of period	43,558	57,359
Service cost	2,177	4,196
Interest cost	1,584	1,008
Employee contributions	479	440
Actuarial (gain)/loss	(12,184)	(18,778)
Benefits paid	(551)	(747)
Past service cost	-	80
Curtailement cost	-	-
	<hr/>	<hr/>
Liabilities at 31 July 2023	35,063	43,558
	<hr/>	<hr/>

**NORTH WEST REGIONAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023**

19. PENSION AND SIMILAR OBLIGATIONS (continued)

Reconciliation of Assets:

	2023	2022
	£'000	£'000
Assets at 1 August 2022	37,243	38,684
Interest Income	1,347	667
Remeasurement gain/(loss)	(1,481)	(3,200)
Employer contributions	1,450	1,399
Employee contributions	479	440
Benefits paid	(551)	(747)
Assets at 31 July 2023	38,487	37,243

The estimated value of employer contributions for the year ended 31 July 2024 is £1,507k.

20. CAPITAL COMMITMENTS

PFI Contract

Capital repayments are being made over a 25 year period and will be funded by DfE. The PFI contract with Northwin Limited for the Northland building commenced in February 2001 and will cease in January 2026.

21. FINANCIAL COMMITMENTS

At 31 July 2023 the College had annual commitments under non-cancellable operating leases as follows:

	2023	2022
	£'000	£'000
LESSEE:		
<u>Land & Buildings</u>		
Expiring within one year	-	-
Expiring within two and five years inclusive	-	-
	<u>-</u>	<u>-</u>
<u>Other</u>		
Expiring within one year	33	35
Expiring within two and five years inclusive	-	33
	<u>33</u>	<u>68</u>
LESSOR:		
<u>Land & Buildings</u>		
Expiring within one year	-	-
Expiring within two and five years inclusive	-	-
	<u>-</u>	<u>-</u>

22. RELATED PARTY TRANSACTIONS

Owing to the nature of the College's operations and the composition of the Board of Governors being drawn from public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the Board of Governors may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the College's financial regulations and normal procurement procedures.

Related Organisation	Governor	Position in Related Organisation	2023	2022	Amount	Amount
			Amount Paid/ (Income) £'000	Amount Paid/ (Income) £'000	Outstanding at 31 July 2023 £'000	Outstanding at 31 July 2022 £'000
Derry City & Strabane District Council	Mr S Gillespie	Director	7	6	-	-
			(41)	(8)	-	-
Invest NI	Ms M Gormley	Senior Manager	(134)	(79)	35	0
	Mr K Kennedy	Board Member				
	Mr P Canavan	Board Member				
Causeway Coast & Glens Borough Council	Mr P Thompson	Employee	1	1	-	-
Ulster University	Prof M Ó'Néill	Director of Regional Development	220	206	-	-
			(109)	(81)	-	-
Londonderry Chamber of Commerce	Prof M Ó'Néill	Board Member	8	n/a	-	n/a
Causeway Chamber of Commerce	Prof M Ó'Néill	Board Member	3	n/a	-	n/a
Education Authority	Mr B Quinn	Senior Architect	7	-	-	-
			(105)	(72)	3	-
FinTru	Mr P Canavan	Advisory Board Member	(4)	(2)	-	-

23. AGENCY ARRANGEMENTS

Support Funds	2023 £'000	2022 £'000
Balance unspent at 1 August 2022	127	28
DfE grants	327	396
Interest earned	6	-
	<u>460</u>	<u>424</u>
Disbursed to students	(260)	(296)
Audit fees	(1)	(1)
	<u>199</u>	<u>127</u>
Balance unspent at 31 July 2023	<u>199</u>	<u>127</u>

Support funds are available solely for students. The College acts as paying Agent. The grants and related disbursements are therefore excluded from the Statement of Comprehensive Income and Expenditure.

Care to Learn	2023 £'000	2022 £'000
DfE grants	-	4
Disbursed to students	-	(4)
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>

The scheme addresses the need to provide childcare support for parents under the age of 20. The College acts only as the paying agent and therefore the grants and related disbursements are excluded for the Statement of Comprehensive Income and Expenditure.

Covid Disruption Payments	2023 £'000	2022 £'000
Balance unspent at 1 August 2022	-	12
DfE grants	-	-
Disbursed to students	-	-
Repaid to DfE	-	(12)
	<u>-</u>	<u>-</u>
Balance unspent at 31 July 2023	<u>-</u>	<u>-</u>

24. LOSSES & SPECIAL PAYMENTS

The College wrote off £19k in relation to bad debts in 2022/23.

In accordance with Financial Memorandum the authorisation to write off individual debts greater than £2,000 should be sought from the DfE. 1 debt written off which was individually greater than £2,000. This was approved by DfE

The write off for debts less than £2,000 were approved by the Board of Governors.

The total number of cases written off was 77.

There was also 1 special payment made in the year of £7.5k.

25. THIRD PARTY ASSET

The College holds a bank account on behalf of the Students' Union and at 31 July 2023 the balance in the account was £1,861 (£63 at 31 July 2022). This is not a North West Regional College asset and is therefore not included in these financial statements.

26. ADDITIONAL DISCLOSURES TO COMPLY WITH FINANCIAL REPORTING MANUAL

Financial Reporting Manual (FRM) requires Non-Departmental Public Bodies to regard grant-in-aid received as contributions from controlling parties giving rise to a financial interest in the residual interest of the body, and hence accounted for as financing i.e. by crediting them to the income and expenditure reserve.

	2023	2022
	£'000	£'000
INCOME		
DfE income (non grant-in aid items)	1,271	1,485
Education contracts	2,017	2,186
Tuitions fees and charges	1,684	1,813
Other grant income	1,101	970
Other operating income	1,406	1,287
Endowment and investment income	146	-
Profit on disposal of assets	-	24
Total incoming resources	7,625	7,765
EXPENDITURE		
Staff costs	27,988	28,949
Fundamental restructuring costs	-	-
Other operating expenses	11,338	11,788
Depreciation/loss on disposal of fixed assets	3,990	3,639
Exceptional costs	-	9
Interest and other finance costs	688	950
Total resources expended	44,004	45,335
Net deficit for the year	(36,379)	(37,570)
Unrealised surplus on revaluation of Land & Buildings	6,768	6,422
Release from revaluation reserve on disposal of Maydown	(572)	-
Actuarial gain in respect of pension scheme	10,703	15,578
Amount transferred to reserves	(19,480)	(15,570)
	2023	2022
	£'000	£'000
Analysis of reserves prepared under FRM		
Balance at 1 August 2022	39,721	21,578
Grant-in-aid received in year	33,921	33,713
Net operating cost for the year	(19,480)	(15,570)
Balance at 31 July 2023	54,162	39,721

27. EVENTS AFTER THE END OF THE REPORTING DATE

Teaching Staff Pay Award

The rates of salaries for Lecturers in Colleges of Further Education from 1 September 2021 and 1 September 2022 were published on 8 August 2023. The publication also announced a non-consolidated payment due to those members of staff employed outside National Joint Council (NJC) terms and conditions during the period 1 September 2021 - 31 August 2022.

The rate of salaries for lecturers and the non-consolidated payment have been accrued in staff costs at the year ended 31 July 2023.

Senior Staff Pay Award

The rates of salaries for Principals and Deputy Directors in Colleges of Further Education from 1 September 2021 and 1 September 2022 were published on 10 November 2023. The publication also announced a non-consolidated payment due to Principals and Deputy Directors employed during the period 1 September 2021 - 31 August 2022.

The rate of salaries for senior staff and the non-consolidated payment have been accrued in staff costs at the year ended 31 July 2023.

Holiday Pay on Overtime

The provision of £988k relates to a Holiday Pay Provision resulting from the Court of Appeal (CoA) judgement (17 June 2019) in the case PSNI v Agnew. The CoA determined that claims for Holiday Pay shortfall can be taken back to 1998.

The PSNI appealed the CoA judgement to the Supreme Court.

The Supreme Court made its ruling on 5 October 2023 where it dismissed the appeal and upheld the judgement of the CoA.

The narrative disclosure of Note 17 has been updated to reflect the Supreme Court judgement.

Reform to Save Scheme

In September 2023, in response to budgetary pressures, it was announced that the College may need to reduce its staffing complement in the 2023/24 academic year.

DATE OF AUTHORISATION FOR ISSUE

The Accounting Officer authorised the issue of these financial statements on 27th November 2023.