

# Annual Report and Accounts 2022/23

**NORTHERN REGIONAL COLLEGE**  
**Annual Report and Accounts**

**For the year ended 31 July 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*

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## **FOREWORD BY CHAIR OF GOVERNING BODY**

As Chair of the Governing Body, the 2022/23 academic year has been an inspiring and rewarding period of my tenure. The year has allowed for continued relationship building and many valuable interactions with staff, students and my fellow Governors. I have been regularly on campus for various engagements throughout the year, but more specifically members of the Senior Leadership Team and I conducted a tour of all campuses with the objective of gathering direct feedback from staff and students on issues important to them. This was an enlightening activity and allowed us to reflect the feedback and learning points in our committee meetings, future planning and College strategies.

The College continues to build on the recovery made in the 2021/22 academic year with strong application levels in 2022/23. A great reflection of the post-Covid recovery efforts and growing reputation of the College for delivering high-quality, vocationally relevant programmes. I welcomed staff back to the in-person Staff Conference in August 2022, following the easing of Covid restrictions for such events, providing an outline of the strategic vision the Governors have for the College.

December was a standout month with both the Higher Education & Access Graduation and Staff Awards giving us much to celebrate. At the Graduation, we met in Tullyglass House Hotel to recognise the successes of our students in the presence of friends, families and staff. At the Staff Awards, we honoured the outstanding contribution of individual staff and teams. I continue to be impressed by the energy and enthusiasm of staff and their commitment to delivering a high-quality learning experience for all our students. Both events highlighted the many examples of excellence within the College, as well as its commitment to our staff and students.

During 2022, many engagement activities took place with staff and members of the Governing Body to develop a dynamic Strategic Plan for 2022/23 until 2024/25. The plan provides a new Vision, Mission and Values for the College along with new strategic priorities themed by learners, professional services and partners. With one academic year complete under the new direction and priorities, it is gratifying to see the focus it has provided for College activity and the steps already taken to achieve our ambitious aspirations by 2025.

There were many other achievements to celebrate during the 2022/23 academic year. The College continued its winning trend in WorldSkills competitions. Students, Adam Kirkpatrick and Cameron Middleton, travelled to Luxembourg in October 2022 to compete in the Robotic Systems Integration competition at WorldSkills Special Edition, and the duo finished a commendable seventh place after four days of tough competition, narrowly missing out on Medallions of Excellence. They were honoured at a reception in Parliament Buildings in February, attended by the CEO of WorldSkills UK and DfE's Head of Skills and Education.

In the 2022 WorldSkills UK National Finals, for the second consecutive year, our engineering students secured top honours in the Industrial Robotics category. Charlie Carson and Jason Scott

were gold medal winners, while Ryan Crooks and Luke Cassidy were bronze medallists. Charlie and Jason have been selected for the UK Squad and will progress to the European Stage in Gdansk.

Our students were also on top at the CITB SkillBuild NI Finals hosted at North West Regional College, with Bailey Gibson and Jamie Matthews coming first in Carpentry and Joinery respectively, alongside Conor Dallas who came second in Joinery and achieved Overall Apprentice of the Year. All excellent results and testament to the high standard of training and skills development provided by our lecturers.

Our campus developments in Coleraine and Ballymena continued to make great progress throughout the year. At both campuses the new structures are now visible against the town landscapes. Investment also continued across the estate to ensure it remains fit for purpose and matches the ambitions we have for our students.

I wish to thank my fellow Governors who provide invaluable connections to business, government and local communities, and willingly share their impressive knowledge and insights.

Four governors finished their terms at the end of the academic year, Kevin Chambers, Billy Hutchinson, Yvonne Mallon and Bill McCluggage. We are very grateful for their considerable leadership and commitment. We welcome four new governors, Brendan Devlin, Carla McGovern, Brendan Patterson and Jayne Taggart.

With our Strategic Plan off to an encouraging start, underpinned by excellent management and delivery throughout the College, I am optimistic that the year ahead will see us report on another highly successful year.

Ken Nelson MBE

Chair of the Governing Body

## OVERVIEW FROM PRINCIPAL & CHIEF EXECUTIVE

This Annual Report has demonstrated another year of fantastic achievements for the College, made possible by the continued efforts and commitment of our staff and students. Having moved away from the challenges of the Covid pandemic, we continued to operate against a challenging background with the Further Education (FE) sector review underway, as well as substantial public sector budget cuts and a cost-of-living crisis. Our Student Services team introduced invaluable student support services during the year which came in the form of supplying hygiene packs and cold weather clothing, as well as providing breakfast information sessions for students to start the day with a warm meal. Despite the many challenges, we have shown growth and achieved great accolades.

Cross-sector engagement has always been an integral part of our College activity which has further strengthened with the formation of the Strategic Alliance with North West Regional College and South West College. The partnership, whose inaugural meeting was held in June 2023, offers an exciting opportunity to work closer together as we navigate sector challenges and share good practice for the benefit of our staff and learners. The initial meetings and collaborative working exhibited in a short timeframe has already demonstrated great learnings, progress and collegiality.

At the Open College Network Northern Ireland (OCN NI) Learning Endeavour Awards we again had multiple prize winners. Ashleigh Mulholland won FE Learner of the Year, with highly commended going to Kyla Skelton in the same category. Lecturer Kiera O’Kane also achieved highly commended in the Inspiring Tutor of the Year category. As the sector entrepreneurship lead, our Entrepreneurship Club was successfully relaunched, and a series of events were held including the sectoral Project-Based Learning competition. The Student Services team also retained the Matrix Quality Standard for exemplary support for students and the College earned approval by the Open University to deliver courses with their accreditation.

External engagement has continued to grow since 2020, when our External Engagement Strategy was formed. The team has also since expanded which has allowed us to extend our reach and influence. They secured a range of funding for the financial year to support both individuals and businesses. These include Skills Focus, Skill Up, InnovateUs, Productivity Booster and several fully-funded opportunities with local councils and companies. There have been many success stories across the year, illustrating the relationship-building and engagement with industry, including our partnerships with Caterpillar and Unite on a tailored ICT programme for their staff, as well as becoming the provider of choice with Wrightbus for their aptitude testing. Plans continue with Harland and Wolff to provide assured skills academies, upskilling for staff and places for their growing apprentice intakes.

Progress continues at pace at both our new build sites in Coleraine and Ballymena with the impressive structures now prominent features on both town landscapes. At Coleraine, the construction phase is well advanced and on target for completion in March 2024, with the new campus opening to students at the start of the academic year 2024/25. At Ballymena, construction

works started in August 2022 and progressed to schedule, with the 1000 tonnes structural steel installation completing in June 2023. The project is on track to complete in March 2025 and open for students at the start of the academic year 2025/26. The College Estates Project Management Team won Team of the Year category at the Government Project Delivery Awards, a fitting tribute to their dedication to both projects.

Staff wellbeing and development remained key priorities throughout the year. A wide range of Health and Wellbeing sessions were offered to staff, with a focus on our employee's financial wellbeing, as well as their mental health. We continued to participate in the Good For Me, Good For FE initiative, with staff and students contributing monthly to local foodbank appeals, raising funds for charities and volunteering.

Learning and development activities were aligned to the College priorities and a varied programme was offered across the year and on College Continued Professional Development days. There was a focus on Project Based Learning and Assessing, to support the new Traineeship and Advanced Technical qualifications, alongside training for line managers on Managing Employee Welfare. Staff from HR and Student Services received training in Domestic Violence Awareness and the College is now recognised as a 'Safe Place'. A revised Induction Programme was introduced to provide increased support for new employees.

Working together, with a spirit of collegiality, we have recorded another successful year, despite the challenges. Our achievements have only been possible because of the commitment of all our staff to providing students with a valuable and transformative learning experience, for which I am very grateful. I would also like to thank our Chair and members of the Governing Body for their support, expertise and contributions. With this continued dedication and direction, I know that the College will continue to grow stronger.

Mel Higgins

Principal & Chief Executive

## STRATEGIC REPORT

### Nature, Objectives and Strategies

The 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.

Colleges in Northern Ireland have been granted charitable status by the UK HM Revenue and Customs.

### Strategic Plan 2022/23 – 2024/25: Skills, Innovation & Excellence

#### Mission Statement

The College's Governing Body and Senior Leadership Team formally launched its new Strategic Plan 2022/23 – 2024/25 "Skills, Innovation & Excellence" in November 2022. This is an ambitious plan to further enhance the College and the services it provides as recovery from the impact of Covid-19 continues. That said, the Strategic Plan also recognises the difficult financial climate that persists.

The Governing Body's Strategic Planning Group developed an enriched vision statement replacing the previous vision and mission statements which will underpin the new corporate values.



Our vision is:

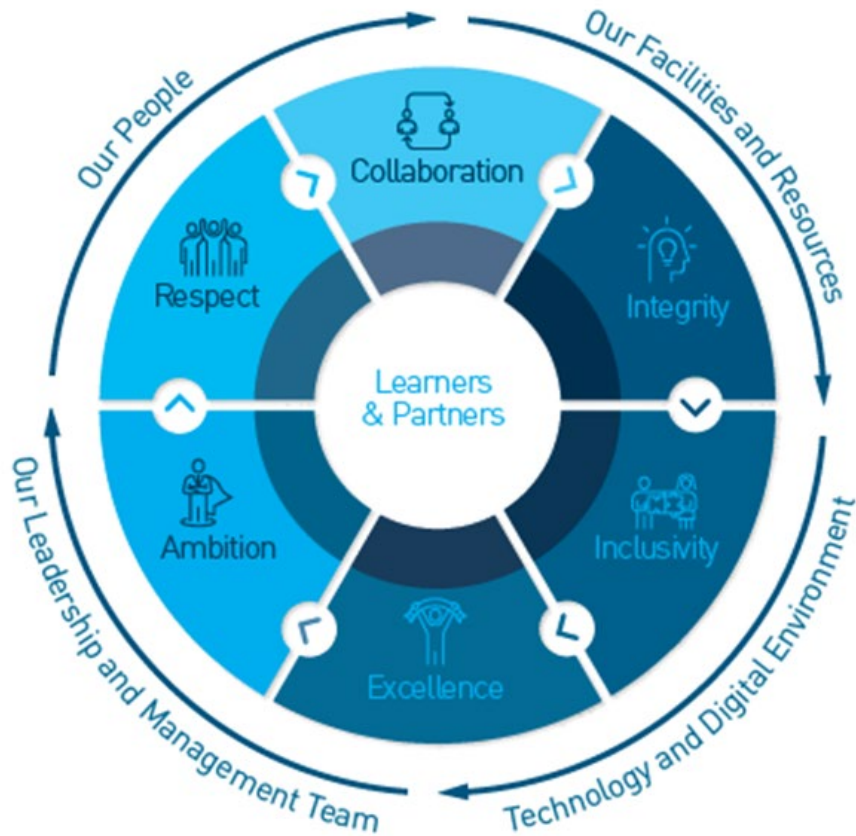


to be the FE College of choice, providing lifelong learning opportunities for all, through innovative, high-quality education and skills training, supporting the Northern Ireland economy to be globally competitive.





Underpinning this motivated vision, are six values, which the College is embracing as it moves forward. These are supported by our four drivers (right).



To help us realise our vision for 2025 we have identified twelve key goals structured around three core themes of Learners, Professional Services and Partners (below).

Learners	Professional Services	Partners
<p>To provide an agile, responsive, sustainable curriculum aligned to the 10X Strategy and local business and community needs.</p>	<p>To attract, recruit, develop and retain highly skilled, motivated and professional talent.</p>	<p>Through horizon scanning, to proactively identify emerging skills requirements.</p>
<p>To equip learners with the skills to make a positive impact in the workforce and the wider community.</p>	<p>To embed an open, transparent, high performing culture demonstrated through independent evidence.</p>	<p>To be an integral and first choice partner in local community planning &amp; skills development.</p>
<p>To improve academic standards and associated learner outcomes.</p>	<p>To provide facilities that support delivery of our refreshed curriculum and achieve environmental sustainability.</p>	<p>To maximise opportunities to secure income from alternative funding streams.</p>
<p>To provide learners with an enriching experience during their studies with the College.</p>	<p>To provide value for money and effective governance in delivery of our services.</p>	<p>To develop an instantly recognisable brand that enhances the College's reputation.</p>

Of the twelve goals, ten are green based on the progress made in 2022/23 and two goals are currently amber. 2023/24 actions are in development and will reflect on the Year 1 actions and associated progress. They will also consider actions required to bring the two amber goals back to green.

### End of Year Position – Status of Goals Based on Year 1 Progress

Theme	Goal	Status
<b>Learners</b>	To provide an agile, responsive, sustainable curriculum aligned to the 10x strategy and local business and community needs	Green
	To equip learners with the skills to make a positive impact in the workforce and the wider community	Green
	To improve academic standards and associated learner outcomes	Green
	To provide learners with an enriching experience during their studies with the College	Amber
<b>Professional Services</b>	To attract, recruit, develop and retain highly skilled, motivated and professional talent	Amber
	To embed an open, transparent, high performing culture demonstrated through independent evidence	Green
	To provide facilities that support delivery of our refreshed curriculum and achieve environmental sustainability	Green
	To provide value for money and effective governance in delivery of our services	Green
<b>Partners</b>	To proactively identify emerging skills requirements	Green
	To maximise opportunities to secure income from alternative funding streams	Green
	To develop an instantly recognisable brand that enhances the College's reputation	Green
	To be an integral and first choice partner in local community planning and skills development	Green

## Corporate and Business Planning

The College Development Plan (CDP) sets out the operational plans within the budget remit defined by the Department for the Economy (DfE). The educational and performance measures are detailed in three report cards:

- Report Card 1 – Students & Qualifications
- Report Card 2 – Employers
- Report Card 3 – Social Inclusion



The progress against the measures set out in the CDP 2022/23 is reported to the Department three times each year.


## Performance Indicators and Review of Performance in 2022/23

The College's performance was monitored by the Governing Body and reported to DfE throughout 2022/23, with appropriate actions agreed and implemented.

The summary table below outlines the progress based on CDP Progress Report 3 as of 28 July 2023.







### How much did we do?

Report Card	Description	Status	Comment
<b>1. Students &amp; Qualifications Summary</b>	Meeting Enrolment Targets & Achievement of Qualifications		<b>Achieved</b> The overall recruitment figure of 14,641 enrolments (including 2,130 Essential Skills) was achieved this year against a target of 12,688, with an additional 1,953 enrolments.
<b>2. Employers Summary</b>	Engaging with Employers and Strategic Partners		<b>Achieved</b> In line with the targets set out in both the Employers Report Card and the College's External Engagement Strategy total activity of £2.2m has been achieved against planned activity of £1.1m

<b>3. Social Inclusion Summary</b>	Improving Social Inclusion		<b>Achieved</b> The College engaged with a total of 4,635 individuals through Social Inclusion Programmes.
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## How well did we do it?

### Report Card 1 – Students and Qualifications

Measure	Target 2022/23	Actual 2022/23	RAG
Further Education (FT & PT)	7,695	9,194	
Higher Education (FT & PT)	857	929	
Essential Skills (16-19 & 20+)	1,900	2,130	
Work Based Learning (Apps NI & HLA)	1,946	2,149	
Traineeships & Tfs	291	240	
Enrolment Total	12,689	14,642	

The overall enrolment target of 12,689 was achieved and the College recruited an additional 1,953 enrolments during the 2022/23 year. In 2022/23 the College continued to recover from the impact of Covid-19 with further growth of 4% in enrolments from 2021/22.

### Performance by Level of Provision

The number of Further Education (FE) enrolments delivered at Level 0/1 in 2022/23 was 2,376; an increase of 693 (40%) against the planned target. Level 0/1 FE enrolments made up 19% of the overall College enrolments (excluding Essential Skills).

Level 2 FE recruitment met the target of 3,111 enrolments, with an actual recruitment figure of 3,697 (excluding Essential Skills), this is an over recruitment of 586 enrolments (19%). Level 2 FE qualifications accounted for 25% of all College provision this year.

The Level 3 FE enrolment target was 2,901 and the actual enrolments at the end of July were 3,121. This represents an additional 220 enrolments or 8% over achievement of the target. This is an

increase of 206 from 2021/22 (2,915). Level 3 FE enrolments account for 25% of all provision (excluding Essential Skills).

The overall target for Higher Education (HE) in FE was 857 through full-time and part-time enrolments. The College achieved a total of 929 HE enrolments, representing an 8% increase over the planned delivery. HE in FE enrolments account for 7% of all provision excluding Essential Skills.

The Essential Skills target for 2022/23 was 1,900 with actual delivery of 2,130, this activity was 12% higher than planned for and broadly in line with 2021/22 activity of 2,096.

The Work Based Learning programmes (Apps NI, HLA, Traineeships and TfS), had a combined target of 2,237, total delivery was 2,389. This is additional recruitment of 6%. This figure demonstrates an increase from the 2021/22 figure of 2,112. The Apprenticeship NI Programmes (Level 2 and 3) had a total of 2,023 enrolments up from the 2021/22 figure of 1,957 enrolments, and the Traineeship programme, with a total of 232 enrolments. HLA recruitment of 125 was successful against planned activity of 100, this was an increase of 42 from 2021/22. Work Based Learning accounts for 19% of all provision (excluding Essential Skills).

## **Report Card 2 – Employers**

In 2022/23 the College delivered a range of initiatives including Skills Focus, InnovateUs, Innovation Vouchers, Fusion, Connected, Schools Partnership, Skill Up, Productivity Booster, Academies, Community Education and development of Hydrogen qualifications in conjunction with Mid & East Antrim Council. This activity totalled almost £2.2million and surpassed the original planned activity, supporting over 40 projects and 200 individuals.

## **Report Card 3 – Social Inclusion**

In 2022/23 the College engaged with over 4,600 individuals who have identified barriers to learning such as socio-economic challenges, disabilities or long-term health problems, language or literacy. Through targeted programmes such as College Connect and Prince's Trust, the College delivered 850 enrolments to individuals not in education or training. The College delivered 180 English Speakers of Other Languages (ESOL) qualifications including participation in the Northern Ireland Refugee Resettlement Scheme.

## **Who is better off?**

Students reported in the College's annual student experience survey (February 2023) that 92% felt their course met or exceeded their expectations and 96% felt they were on the right course. The College delivered 13,100 regulated qualifications in 2022/23 which aim to address the NI Skills Gap.

## Financial Objectives

The College's key financial objectives for 2022/23 are shown below:

2022-23	College Target	Actual Performance
% Spend against budget	100%	100%
% Capital against budget	100%	100%
Absenteeism	3%	5.2%*
Prompt Payment within 30 calendar days	95%	95%

\*Absenteeism rates in 2022/23 are higher than in the previous year due to an increased number of staff experiencing significant long-term medical issues.

## Current and Future Development and Performance

### Student External Achievements 2022/23

The 2022/23 academic year was again full of student achievement beyond their core curriculum, showing our focus on skills and extracurricular development.

Level 3 Advanced Technical students in IT won Best Start Up and were runner up in Most Innovative Product at the Young Enterprise NI Awards. Newtownabbey Science student, Georgia Rafferty, was one of only five UK students to be offered a scholarship to attend the International Science School programme in Sydney, Australia, at the prestigious Professor Harry Messel International Science School. Sydney Geddis, a Level 3 Interactive Media student, won the JP McManus Scholarship Award in September 2022.

At the NI Apprenticeship Awards the College partnered to win three of the six awards: Large Employer Award with NIE Networks, Diversity and Inclusion with NIE Networks and Mentor Award to Charley McAuley with apprentices at Mivan Ltd. Our College team was awarded Bronze at the inaugural Naval Cook and Serve Competition organised by the Royal Navy. Our Level 3 Sports student, Niamh McConnell was named Bar Champion, coming first on bars at the prestigious national Women's Artistic Classic Challenge Championships 2022 in Guildford, England. The College's Football Team were crowned champions at the Copa Catalunya competition in Barcelona.

### Curriculum Developments in 2022/23

During 2022/23 the College received Open University institutional approval, this will improve capacity to deliver a quality Higher Education experience within Further Education and strengthen opportunities for progression. Opportunities to develop innovative HE curriculum, focused on the

needs of the college regional economy, and to enter collaborative vocational networks with the other FE colleges will be further explored within the 2023/24 planning cycle.

During 2022/23, the College continued its focus on the delivery of a range of programmes including Essential Skills and professional, technical and academic programmes from Entry Level to Level 6 targeting both full-time and part-time learners and enabling progression to further study and/or employment.

Curriculum development continued to sharpen its focus and alignment with the College's Strategic goals of providing an agile, responsive curriculum aligned to the Department's 10X strategy and local business and community needs, equipping learners with the skills to make a positive impact in the workforce and wider community. Refreshed employer forums in Engineering, Health and Social Care and Supply Chain and Logistics were established to inform future development and will expand across all priority areas for 2023/24.

The introduction of the new system of Level 2 Traineeship continued in 2022/23, with the introduction of Traineeships in Plumbing and in Professional Cookery. Significant preparatory work also took place in advance of the launch of Traineeships in a further six vocational areas for September 2023 intake, work which will continue through 2023/24. The aim to transition all Level 2 full-time provision to Traineeships by September 2024 is key to providing school leavers with a clear and valued progression route to employment, apprenticeships and further studies through further education.

## **Evaluations**

During this academic year the College participated in a number of DfE-commissioned evaluation activities:

Quality Monitoring and Evaluation Review (QMER) for Traineeship Provision, HLA Evaluation and an evaluation of Level 3 provision, all of which had positive outcomes.

Common areas of strength identified included:

- The ongoing commitment from the College and course teams to improvement in the student experience.
- Innovation and adaptability/responsiveness in ensuring a relevant curriculum.
- A focus on progression opportunities, to both higher level study and employment.
- Strength in collaboration and in partnership development to inform curriculum.
- A strong network and ethos of student support; staff who met with ETI are dedicated and provide a good learner experience.
- A strong focus on providing key and ongoing support to industry.
- Alignment of areas for improvement with Whole College Quality Improvement Plan.

The new Teaching and Learning Directorate has been fully embedded which has strengthened the previous structure supporting continuous improvement across Quality and Curriculum operational planning and management.

An audit of Higher Education provision provided full assurance in relation to Higher Education policies and procedures, with a satisfactory outcome and no actions required.

**During 2022/23, the College delivered the following new qualifications:**

- BTEC Level 3 Creative Media Diploma was introduced at the Magherafelt Campus
- City and Guilds Level 3 Dental Nursing Diploma
- Level 3 Transition to Playwork
- OCN Level 4 Certificate in Supporting Children and Adults with Special Educational Needs and Disabilities
- Level 4 Award in Social Media and Digital Marketing
- Level 4 Certificate in Adverse Childhood Experiences
- Level 5 Higher National Diploma in Music (Production)
- Level 5 Diploma in Leadership for Children's Care, Learning and Development (Management) (Northern Ireland)

## **Widening Participation and Social Inclusion**

The College has a Widening Access and Participation Plan (WAPP) and action plan in place for all HE provision, with the aim of promoting HE access opportunities to students and adults from disadvantaged areas. In total, 53 eligible HE students received a bursary to support their studies in 2022/23. The College, with funding from The Gallaher Trust, also provided a new bursary that paid HE fees for the successful candidate. This year saw the successful completion of their studies for our first two graduating students, who had received the first such bursaries. Targeted outreach projects to promote access to Higher Education were undertaken, including giving over 110 school pupils HE taster sessions in Sport Science, Engineering, Construction, Media, Music, Health Sciences and Computing. We also extended a collaboration with Ulster University Schools Outreach Academy working on a Travel and Tourism module to be used in schools throughout Northern Ireland.

The College continues to provide English for Speakers of Other Languages (ESOL) and Pre-ESOL programmes. In 2022/23, ESOL provision was maintained at its current level with 186 enrolments. The ultimate aim is for these students to progress through the relative levels and enrol on FE programmes.



The social inclusion agenda is focused on the local community, alongside engagement with 17 local schools to deliver 24 qualifications, up to Level 3, to more than 400 students. As in prior years, there was demand for STEM subjects, such as Engineering at Level 3, and Environmental Technology. In addition, we delivered community-based education in several outreach centres and have significantly grown our digital online learning capability and presence.

## **Student Support**

The College has continued to maximise its allocation and distribution of the various strands of student financial support available from DfE. A total of 683 students were in receipt of Educational Maintenance Allowance (EMA) in 2022/23. In terms of expenditure against budget in student finance terms, £24k was paid out via the DfE Care to Learn fund and approximately 53% of the hardship budget allocation was used, with 71 students being supported via £65k paid out.

The retention project, Northern Plus, which was successfully piloted in 2020/21, became further embedded into the psyche of college life. In the academic year 2022/23, the Achievement Coaches worked directly with 1087 students from level 2 and Level 3 full-time FE courses. This ranged from a quick check-in and then monitoring attendance, to several sessions with individual students to solve more complex barriers to attendance and achievement. They also piloted a new initiative called GL PASS. As the first FE College in Northern Ireland to trial this software, using a 20-minute, online questionnaire, PASS takes the guesswork out of understanding why students may be reluctant, disengaged or even disruptive learners by sensitively exploring their social and emotional wellbeing. It also provides interventions and guidance so lecturers can start to address issues immediately.

Following funding from DfE, the College Student Services team rolled out a programme to distribute 1,000 winter clothing packs and provide 207,000 breakfasts and information sessions for students. During this time, Mental Health and Wellbeing roadshows were also facilitated across all the College campus sites, helping students to rebuild resilience following the Covid pandemic.

## **Quality of Teaching and Learning**

The 2022/23 year saw the inception of the Teaching and Learning Excellence Department which brought together, into one department, the key College functions of Quality, Creative Excellence (formerly the Digital Learning Team), Teaching Excellence and Entrepreneurship. These key functions, aimed at enriching and improving the quality of provision and raising academic standards across the Teaching and Learning directorate, are collectively under the leadership of the Head of Teaching and Learning Excellence.

The Quality Team manage the ongoing relationships with more than 30 awarding bodies, on matters of compliance and regulation, including that of the Joint Council for Qualifications (JCQ), which were managed successfully in-year in conjunction with the exams team. The successful management and co-ordination of the Open University Institutional Approval and Administration Audit was a key piece of work within the Higher Education quality calendar in 2022/23 and

supported the College in its strategic aim of diversifying the HE curriculum in line with the FE sector and curriculum hubs. In terms of the quality of the FE and Apprenticeship curriculum, ETI carried out the Level 3 Curriculum review piece, paused due to Covid-19 in March 2020, and expanded the inspection to include Level 3 Apprenticeship.

The Creative Excellence Team relaunched the Canvas quality standards in 2022/23 to support the ongoing improvement and development of the digital curriculum and use of online learning platforms. Key improvements in the curriculum planning process in-year assisted the improved planning and targeted support from the teams.

The Teaching Excellence team supported 15 staff on their Teacher Training journey in 2022/23, in either the Certificate in Teaching (CIT) or the Postgraduate Certificate in Further Education (PGCFE). Targeted support sessions with Curriculum Area Managers (CAM) supported the wider development of quality improvement planning at CAM level and the ownership of curriculum quality issues as monitored at department level.

### **Embedding Entrepreneurship**

The recruitment of a Principal Lecturer in Entrepreneurship and Innovation in Teaching and Learning in 2022/23 continued the College's strategic investment in and management of the Entrepreneurship Hub on behalf of the FE Sector. A key piece of work successfully achieved was the review and refresh of the sector phase 1 action plan with DfE, as well as developing and gaining approval for the phase 2 updated action plan and associated dialogue. A reset across the sector allowed for showcasing of Entrepreneurship activity across the FE colleges, demonstrating that one size does not fit all, but that each college is delivering a wide range of entrepreneurial activity that meets the needs of the 10X economy. The successful relaunch internally of the Entrepreneurship Club was supported by a range of employers from local enterprise organisations to large employers and was well supported with approximately 70 students in attendance. The end of the 2022/23 academic year saw the successful delivery of the first in-person Project Based Learning competition, with students from all 6 FE colleges attending the Newtownabbey Campus. The event was supported by a panel of judges from local industry and Governing Body members, with positive comments on the standard of students' projects presented across the sector.

### **Economic Engagement**

The College has actively built on its business and council engagement capacity throughout the year by appointing professional staff to the newly approved structure. An Innovation Team of Technical Specialists augments existing curriculum knowledge, to support innovation development in industry. This valuable service for local companies is primarily delivered through funded programmes, while the knowledge that is developed is also brought back into the College for sharing and teaching. A wide range of income generating programmes has been delivered including Skills Focus (£275k), InnovateUs (£134k), Connected (£115k), Academies (£53k), Innovation Vouchers (£40k) and knowledge sharing programmes (£17.5k). Examples of initiatives taken forward this year include Advanced Manufacturing academies sponsored by The Gallaher Trust and

Mid and East Antrim Borough Council, delivered in Ballymena and Newtownabbey, and the roll-out of hydrogen training in conjunction with Mid and East Antrim Council (£214k). The team also leads on engagement with each of the four Councils and is represented on their Labour Market Partnerships and other relevant working groups. Targeted resource in this area has allowed the College to significantly increase non-core income to the College of £2.3m and exceed the targets set in the External Engagement Strategy of £1.1m.

## **Campus Developments**

The College's exciting campus redevelopment projects have progressed exceptionally well throughout the year. The capital investment project, funded by the Department for the Economy, will deliver two state-of-the-art campuses on the current sites in Union Street, Coleraine and Farm Lodge, Ballymena.

In Coleraine, major progress has been made over the past year and as the construction phase enters the final period, the impact the new Coleraine campus building has on the townscape is truly impressive. The College is planning the operational requirements for a successful return to Union Street. Work has also commenced on the refurbishment and repurposing of the St Patrick's Hall Grade B2 listed building, as it is developed into the College's performing arts space. The Coleraine campus is scheduled to be ready for operation for the start of the 2024/25 academic year.

The new Ballymena campus has progressed at speed during the first year of construction works. Structural steel, flooring and roof structures are nearing completion. The Ballymena campus is scheduled to be ready for operation for the start of academic year 2025/26.

## **Financial Position**

### **Financial Results**

Northern Regional College financial statements have been prepared in line with the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education 2019 and in accordance with Financial Reporting Standards (FRS102), the Financial Reporting Standard applicable in the UK and Republic of Ireland.

The College recorded a deficit before exceptional items in 2022/23 of £3,747k (2022: deficit of £3,663k).

Indices, provided by Land and Property Services, were applied to the College's Land and Buildings (not impacted by the new build project) to provide valuations at 31 July 2023. This resulted in an increase in value for the estate of £25k. The total net book value of Land and Buildings, excluding assets under construction at 31 July 2023, is £46.8m, with assets under construction totalling £47.5m.

The NILGOSC Pension Scheme recorded a £10.6m actuarial gain (see Note 22) in 2022/23 (2022: £14.4m), this has been accounted for within the Statement of Comprehensive Income and Expenditure.

The College has significant reliance on DfE for its principal funding source, largely from recurrent grants. In 2022/23, DfE provided 86% of the College's total income through allocated recurrent grant and other grant funding. This represented 11.7% of the total recurrent and other grant funding available to the sector.

## **Reserves**

The College has accumulated income and expenditure reserves, excluding pension reserves, of £1,609k (2022: £2,569k) and cash balances of £4,657k (2022: £5,772k). The College's cash reserves at 31 July 2023 are 13% of the income for the year. The cash amount held is within the limit set in the Financial Memorandum by DfE.

## **Treasury Policies and Objectives**

### **Treasury Management**

The College's Treasury Management policy sets out a framework for cash management, long-term investment and borrowing by the College. The College acknowledges that effective treasury management will provide support towards the achievement of its business and service objectives. The Treasury Management policy is to ensure the College has proper financial control, safeguards its assets and secures value for money. The College regards the successful identification, monitoring and control of risk to be the measure of the effectiveness of its Treasury Management Policy.

### **Cash Flows**

The College's operating cash outflow was £1,115k (2022: £832k inflow). The decreased cashflow was due to the timing of cash drawdowns from the Department and the need to bring the bank balance to normal cash reserve levels.

### **Liquidity**

The level of reserves has contributed to a strong liquidity position for the College. Consequently, the College does not have any borrowings, loans or financing.

### **Payment Performance**

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 HM Treasury for payment to suppliers within 30 calendar days is 95%.

During the accounting period 1 August 2022 to 31 July 2023, the College paid **95%** (2022: 95%) of its invoices within 30 days. £0 (2022: £0) was paid to suppliers in interest charges.

The Northern Ireland Executive is committed to paying suppliers as quickly as possible, within 10 working days. During the accounting period 1 August 2022 to 31 July 2023, the College paid **80%** (2022: 83%) of its invoices within 10 working days.

## **Events After the Reporting Period**

### **Lecturing Staff Pay Award – September 2021 and September 2022**

The rates of salaries for Lecturers in Colleges of Further Education from 1 September 2021 and 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 rates of salaries for lecturers and the non-consolidated payment have been accrued in staff costs for the year ended 31 July 2023.

### **Provisions**

The provision of £591k 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 judgement determined that claims for Holiday Pay shortfall can be taken back to 1998.

The PSNI appealed the CoA judgment 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 Court of Appeal.

The narrative disclosure of Note 19 has been updated to reflect The Supreme Court judgement.

### **Reform to Save**

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.

There are no events after the reporting period.

### **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 assembly 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.

The Department have issued a budget for 2023/24 to the College and we are in consultation with the Department to receive adequate resources to deliver the programme of work planned.

## Resources

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

## Estates

The College's estate includes campuses at:

Campus	2022/23	2021/22
	Net Book Value - £'000	Net Book Value - £'000
Ballymena – Farm Lodge	3,308	3,756
Ballymena – Trostan Avenue	1,294	1,671
Ballymena – Lamont	309	362
Ballymoney	607	808
Coleraine	900	1,300
Larne	3,267	3,303
Magherafelt	4,487	4,786
Newtownabbey	32,650	33,247
Portrush (currently not utilised)	0	0
New Build – Asset in the Course of Construction	47,452	17,766
<b>Total</b>	<b>94,274**</b>	<b>66,999*</b>

\*The above shows the impact on the movement in the NBV of the Estate value as a consequence of valuation by LPS of £3,590k, additions of £10,669k and depreciation of (£2,489k).

\*\*The above shows the impact on the movement in the NBV of the Estate value as a consequence of indices provided by LPS of £25k, additions of £29,762k and depreciation of (£2,489k).

## Financial

Net assets at 31 July 2023 were £43.7m (2022: £36.8m) (including £3.9m net pension asset, 2022: £6.0m net pension liability).

## People

The College employs 586 people (2022: 578) (expressed as full-time equivalents), of whom 320 are teaching staff.

	% Sickness Absence		Average days Lost	
	2022/23	2021/22	2022/23	2021/22
College	5.20	3.83	12.21	9.71
Support Staff	6.46	4.51	14.09	12.35
Lecturing Staff	4.37	3.14	9.94	8.21

Sickness absence rates in 2022/23 are higher than in the previous year due to an increased number of staff experiencing significant long-term medical issues.

## Staff Turnover

Staff turnover for the period 1 August 2022 to 31 July 2023 was 9.4%.

## Reputation

The College has a strong reputation locally and nationally, and maintaining a quality brand is essential for the College's success in attracting students and external relationships.

## Principal Risks and Uncertainties

Northern Regional College is committed to the principles endorsed by the Northern Ireland Audit Office in its guidance "Good Practice in Risk Management".

The College's key principles in relation to risk management and internal control are as follows:

- The Governing Body has responsibility for determining the risk appetite of the College and overseeing risk management within the College as a whole;
- The Principal and Senior Leadership Team support, advise and implement policies approved by the Governing Body;
- Senior and middle managers are responsible for encouraging good risk management practice within their designated managed area; and
- Key risks are identified and closely monitored on a regular basis.

## College Risk Register

The Risk Register for the College is reviewed and updated quarterly.

See Risk Management Section within Statement of Corporate Governance and Internal Control for details of principal risks facing the College.

## Stakeholder Relationships

In line with other Colleges, we have many stakeholders. These include:

- students;
- the Department for the Economy;
- staff;
- local employers;
- local authorities;
- Government Offices / Regional Development Agencies;
- local communities;
- other FE institutions;
- trade unions; and
- professional bodies.

The College recognises the importance of these relationships and engages in regular communication with them through a wide variety of channels, both face-to-face and virtual.

The College considers two-way communication with its staff and students to be vital and regular meetings are held. Currently a number of mechanisms are in place to achieve effective internal communications including:

- monthly messages from Principal & CEO;
- student/staff consultative meetings;
- team/department, directorate meetings;
- multi-disciplinary team meetings;
- staff events/conferences;
- student and staff intranets;
- College website and social media channels; and
- health and wellbeing events.

## Equal Opportunities and Employment of Disabled Persons

By virtue of Section 75 of the Northern Ireland Act 1998, Northern Regional College in carrying out all its functions, powers and duties 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 our 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.

The College's Equality Statement states that:

*“Northern Regional College is committed to the promotion of equality of opportunity in all of its activities. We aim to ensure that we provide a supportive, fair, inclusive and welcoming environment for all staff, students and visitors free from any form of discrimination or harassment.”*

In 2022/23 the College continued to better promote equality of opportunity and good relations through a wide variety of initiatives, programmes and training including an Anti-Bullying week campaign, Autism Awareness Workshops for students, Skill-Up Programme, Women in STEM project and Cost of Living initiatives.

## **Disability Statement**

The College's Disability Equality Statement sets out the College's commitment to potential and existing employees and students with a disability. The College is committed to:

- A policy of equal opportunity and seeks to ensure that disabled staff and students have equitable access, as far as is reasonably possible, to the full range of facilities, and services provided by the College;
- Creating an environment where those with disabilities are comfortable to disclose details of their disability and are provided with suitable opportunities to disclose at various stages throughout their time at the College;
- Providing access to the appropriate reasonable adjustments to enable the effects of disabilities to be minimised while participating in College life;
- Preventing occurrences of unlawful direct discrimination, indirect discrimination, harassment, and victimisation; and
- Treating all staff and students with dignity and respect and will seek to provide a positive and safe working and learning environment.

Under section 49A of the Disability Discrimination Act (DDA) 1995 (as amended by the Disability Discrimination (Northern Ireland) Order 2006), Northern Regional College as a public authority, when carrying out its functions, has due regard to the need to promote positive attitudes towards disabled people and will encourage participation by disabled persons in public life.

Under section 49B of the Act, the College is committed to the development of a disability action plan which relates to all disabled people including disabled employees, customers, clients and service users, as well as disabled students. This action plan also encompasses College efforts in relation to the Special Education Needs and Disability Order 2005 to ensure the full mainstreaming of all duties.

In 2022/23 the College has continued to implement its Disability Action Plan, with a particular focus this year on mental health and wellbeing. Working with various external organisations a Wellbeing Week was held for both staff and students.

### **Disclosure of Information to Auditors**

These accounts are subject to audit under the Institutions of Further Education (Public Sector Audit) Order (Northern Ireland) 2008 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**

The College had zero personal data related incidents that met the threshold for reporting to the Information Commissioner's Office (ICO) in 2022/23.

### **Charitable and Taxation Status**

The College has charitable status with 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**  
                              **Northern Ireland Audit Office**  
                              106 University Street  
                              Belfast  
                              BT7 1EU

Internal Auditors:     **RSM Northern Ireland (UK) Limited**  
                              Number One  
                              Lanyon Quay  
                              Belfast  
                              BT1 3LG

Bankers:                **Danske Bank**  
                              Donegall Square West  
                              Belfast  
                              BT1 6JS

## Members

The members who served on the Governing Body during the year were as follows:

Name	Date of Appointment	Term of Office	Date of Resignation	Status of Appointment	Committees Served
Samuel Kevin Chambers	01/08/15	31/07/23		Chair Member	Education Gov Body
Louise Crilly	13/01/22	12/01/26		Member Member	Audit & Risk Gov Body
Philip Graham	07/10/20	06/10/24		Member Vice-Chair Member (Co-Opt)	Audit & Risk Education Gov Body
Julie Hemphill	28/07/22	27/07/26		Staff Member	Gov Body
Mel Higgins (Principal)	08/11/21	Unbounded		Principal & Chief Executive	Resources Education Gov Body
William Hutchinson	01/08/15	31/07/23		Member Member	Audit & Risk Gov Body
Yvonne Mallon	01/08/15	31/07/23		Member Member	Resources Gov Body
Pauline Martin	13/01/22	12/01/26		Vice Chair Member	Audit & Risk Gov Body
Gary McAllister	13/01/22	12/01/26		Member Member	Education Gov Body
William McCluggage	01/08/15	31/07/23		Chair Member	Audit & Risk Gov Body
Donal MacAuley	21/07/21	20/07/25		Staff Member Staff Member	Education Gov Body
Denise McIlwaine	13/01/22	12/01/26		Vice-Chair Member	Resources Gov Body
Raymond McKernan	13/01/22	12/01/26		Member Member	Resources Gov Body

Northern Regional College 2022/23

Amy Morrow	19/10/22	31/07/23		Student Member Student Member	Education Gov Body
Ian Murphy	01/09/18	28/09/26		Chair Member (Co-Opt)	Resources Gov Body
Ken Nelson	01/07/21	30/06/25		Chair	Gov Body
Simon Shevlin	13/01/22	12/01/26		Member Member	Education Gov Body
David Small	13/01/22	12/01/26		Member Member	Audit & Risk Gov Body

All members served from 1 August 2022 to 31 July 2023 unless otherwise indicated.

For and on behalf of the members of the Governing Body.

Signed:




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**Mr Mel Higgins**

Date: 20 March 2024

Accounting Officer

Northern Regional College

## REMUNERATION REPORT

### Members of the Governing Body

There are normally 18 members of the Governing Body, most of whom are appointed in accordance with the Code of Practice of the Office of the Commissioner for Public Appointments for Northern Ireland. Of these, six members are appointed in line with statutory requirements. The majority of members are appointed for a fixed period of up to four years and thereafter they may be re-appointed in accordance with the Code of Practice.

The remuneration of Governing Body members (excluding staff members) was first introduced by the Department from 1 January 2016. Staff members do not receive remuneration. There are no arrangements in place for the payment of a bonus.

No member of the Governing Body, including the Chairperson but excluding the Principal, receives pension contribution 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.

Miss Amy Morrow was appointed as student governor on 19 October 2022.

The remuneration of the Chairman and Board members is as follows **(audited information)**:

	2022/2023				2021/2022			
	Salary £'000	Benefits in Kind £'000	Pension benefits £'000	Total £'000	Salary £'000	Benefits in Kind £'000	Pension benefits £'000	Total £'000
Isobel Allison	-	-	-	-	0-5	-	-	0-5
Adam Chambers - Student	-	-	-	-	0-5	-	-	0-5
Samuel Kevin Chambers	0-5	-	-	0-5	0-5	-	-	0-5
Ashlyn Close - Student	-	-	-	-	0-5	-	-	0-5
Louise Crilly	0-5	-	-	0-5	0-5	-	-	0-5
Philip Graham	0-5	-	-	0-5	5-10	-	-	5-10
William Hutchinson	0-5	-	-	0-5	0-5	-	-	0-5
Yvonne Mallon	0-5	-	-	0-5	0-5	-	-	0-5
Pauline Martin	0-5	-	-	0-5	0-5	-	-	0-5
Gary McAllister	0-5	-	-	0-5	0-5	-	-	0-5

William McCluggage	0-5	-	-	0-5	0-5	-	-	0-5
Gillian McConnell	-	-	-	-	0-5	-	-	0-5
Denise McIlwaine	0-5	-	-	0-5	0-5	-	-	0-5
Raymond McKernan	0-5	-	-	0-5	0-5	-	-	0-5
Tony Montgomery	-	-	-	-	0-5	-	-	0-5
Amy Morrow - Student	0-5	-	-	0-5	-	-	-	-
Ian Murphy	0-5	-	-	0-5	0-5	-	-	0-5
Kenneth Nelson - Chair	20-25	-	-	20-25	15-20	-	-	15-20
Simon Shevlin	0-5	-	-	0-5	0-5	-	-	0-5
David Small	0-5	-	-	0-5	0-5	-	-	0-5

### **The Principal and Senior Leadership Team**

The Principal and the Senior Leadership Team appointments are made in accordance with the College's recruitment policy. The policy requires appointments to be made on merit on the basis of fair and open competition.

The Principal and Senior Leadership Team hold permanent appointments. The normal retiring age was previously sixty-five, although staff may retire at any time after age sixty.

### **Minimum Pay Levels**

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

### **Progression**

There is no incremental progression for Principals as they are paid on a one-point scale according to college size. However, if the college size changes they will automatically move to that new salary point.

At initial appointment, Vice-Principals and equivalents 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 Vice-Principals and equivalents. If the College increases in size a Vice-Principal and equivalents will automatically move to the new relevant salary scale.

### **Performance Pay**

There is no performance pay or related scheme for any of the Senior Leadership Team.

## **Total Reward Package**

Senior staff within the College have access to the Northern Ireland Teachers' Superannuation Scheme or the Northern Ireland Local Government Superannuation Scheme.

Senior staff posts are based on thirty-six hours per week and post holders have access to the College's Maternity Leave Scheme, Paternity Leave Scheme, Adoption Leave Scheme and flexible working arrangements.

All Senior Staff have thirty-five 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 (including salary) and Pension Entitlements (audited information)**

Remuneration	2022/2023				2021/2022**			
	Salary £'000	Benefits in Kind £'000	Pension Benefits £'000 *	Total £'000	Salary £'000	Benefits in Kind £'000	Pension Benefits £'000 *	Total £'000
Principal & Chief Executive Mr Mel Higgins	105-110	-	25-30	130-135	105-110	-	25-30	130-135
Vice Principal Performance and Development Ms Jenny Small <b>(Note 1)</b>	45-50	-	10-15	60-65	75-80	-	15-20	95-100
Vice Principal Teaching & Learning Mrs Christine Brown	75-80	-	15-20	95-100	75-80	-	15-20	95-100
Chief Operating Officer Mr Sean Laverty	75-80	-	15-20	95-100	75-80 [75 – 80 full year equivalent]	-	15-20	95-100

\* 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.

\*\* The salary for 2021/22 includes back pay

**Note 1:** 2022/23 values are lower than previous year due to reduced working pattern (0.6).

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.

## Off Payroll Engagements

The College had no off-payroll engagements in 2022/23.

## Fair Pay Disclosure

### Fair Pay Disclosure – 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 (excluding back dated pay award) of the highest-paid director Northern Regional College in the financial year 2022/23 was £105-£110k (2021/22: £105-£110k). The relationship between the mid-point of this band and the remuneration of the College’s workforce is disclosed below:

2022/23	25 <sup>th</sup> Percentile	Median	75 <sup>th</sup> Percentile
<b>Total Remuneration</b>	22,338	29,833	34,812
<b>Pay Ratio</b>	4.71	3.53	3.02

2021/22	25 <sup>th</sup> Percentile	Median	75 <sup>th</sup> Percentile
<b>Total Remuneration</b>	22,363	28,553	39,668
<b>Pay Ratio</b>	4.74	3.71	2.67

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

The 25<sup>th</sup> percentile, median and 75<sup>th</sup> percentile remuneration values consist solely of salary payments. In 2022/23, 0 (2021/22, 0) employees received remuneration in excess of the highest paid director.

Remuneration ranged from 2022/23: £0k-£5k to £105-110k (2021/22: £15-£20k to £105-110k).

## Fair Pay Disclosures – Percentage Change in Remuneration

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 Northern Regional College are shown in the following table. It should be noted that the calculation for the highest paid director is based on the mid-point of the band within which their remuneration fell each year.

Percentage Change for:	2022/23 compared to 2021/22
Average employee salary and allowances	-3.75%
Highest paid director's salary and allowances	-0.71%

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

## Pay Awards

The following pay awards were paid to staff in the 2022/23 financial year:

Staff Category	Pay Award	Period
Support staff	£1,925 per annum	From April 2022 (pro-rata)

The following anticipated pay awards have been accrued in the 2022/23 financial year:

Staff Category	Pay Award	Period
Senior staff	1%	From Sept 2021 + further 1% from Sept 2022. £3k non-consolidated payment (pro-rata per FTE)
Lecturers*	1%	From Sept 2021 + further 1% from Sept 2022. £3k non-consolidated payment (pro-rata per FTE)
Part-time Lecturers*	1%	From Sept 2021 + further 1% from Sept 2022. £3k non-consolidated payment (pro-rata per FTE)
Support staff	£1,925 per annum	From April 2023 (pro-rata)

\* Lecturers and Part-time Lecturers accruals were paid on 31 August 2023.

## 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 officials received any benefits in kind.

**Pension Entitlements (Audited information)**

Officials	Accrued pension at pension age as at 31/07/23 and related lump sum	Real increase in pension and related lump sum at pension age	CETV at 31/07/23	CETV at 31/07/22	Real increase in CETV
	£'000	£'000	£'000	£'000	£'000
Principal & Chief Executive Mr Mel Higgins	10-15	2.5-5	214	137	77
Vice Principal Performance and Development Ms Jenny Small	0-5	0-2.5	80	52	28
Vice Principal Teaching & Learning Ms Christine Brown	30-35 plus lump sum 80-85	0-2.5 plus lump sum 0-2.5	836	731	105
Chief Operating Officer Mr Sean Laverty	0-5	0-2.5	106	81	25

**Pension Arrangements**

Retirement benefits to employees of the College are provided by the Northern Ireland Teachers' Pension Scheme (NITPS) and the Local Government Pension Scheme for Northern Ireland administered by the Northern Ireland Local Government Officers' Superannuation Committee (NILGOSC). These are defined benefit schemes, which are externally funded and contracted out of the State Earnings-Related Pension Scheme (SERPS).

Contributions to the NITPS are calculated so as to spread the cost of pensions over employees' working lives with the College in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by qualified actuaries on the basis of quinquennial valuations using a prospective/benefit method.

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.

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 1/57<sup>th</sup>.

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.

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.

National Employment Savings Trust (NEST) is the workplace pension set up by the government specifically for auto enrolment. It is a defined contribution workplace pension scheme with contributions by the employer. NEST Corporation is the Trustee that runs the NEST scheme. It took over from the Personal Accounts Delivery Authority (PADA), the agency set up by the government to deliver 'personal accounts' – a key element of the auto enrolment policy. 'Personal accounts' became NEST. As a non-departmental public body NEST Corporation is accountable to Parliament through the Department for Work and Pensions but is generally independent of government in its day-to-day decisions.

### **Cash Equivalent Transfer Values**

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another

pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies. The CETV figures, and from 2003/04 the other pension details, include the value of any pension benefit in another scheme or arrangement which the individual has transferred to the NICS pension arrangements. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost.

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 1996 (as amended) 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. However, the real increase calculation uses common actuarial factors at the start and end of the period so that it disregards the effect of any changes in factors and focuses only on the increase that is funded by the employer.

## **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 Northern 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 Northern 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.



## **STATEMENT OF CORPORATE GOVERNANCE & INTERNAL CONTROL FOR THE YEAR ENDED 31 JULY 2023**

### **Introduction**

This Governance Statement for Northern Regional College sets out the governance structures, risk management and internal control procedures that operated within the College during the 2022/23 financial year and up to the date of approval of the Annual Report and Accounts. This Governance Statement has been prepared in accordance with guidance issued by the Department of Finance (DoF) and is aimed at supporting better governance and driving more consistent, coherent and transparent reporting.

### **Scope of Responsibility**

The Accounting Officer for the College has responsibility for maintaining a robust governance and risk management structure and a sound system of internal control that supports the achievement of College policies, aims and objectives, whilst safeguarding the public funds and assets for which he is personally responsible, in accordance with the responsibilities assigned to him in Managing Public Money Northern Ireland (MPMNI).

In order to manage the College efficiently, the Accounting Officer has been supported by formal governance structures with clear remits, details of which are provided below.

### **Governing Body**

The College's Governing Body comprises of members appointed by the Minister for the Economy, staff and students of the College, the Principal and members co-opted by the Governing Body. The role of the Chairman of the Governing Body is separate from the role of the College Principal as Chief Executive and Accounting Officer. The Governing Body is responsible for the ongoing 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 normally meets six times a year but met eight times during the 2022/23 year, calling additional meetings to deal with the budget situation. The Governing Body committees include a Resources Committee, an Audit & Risk Committee and an Education Committee. All of these committees are formally constituted with terms of reference.

Unreserved minutes of Governing Body meetings are available from the Secretary to the Governing Body and on the College website. The Secretary to the Governing Body maintains a register of financial and personal interests of the Governing Body members and the PA to the Chief Executive maintains a register for members of the Senior Leadership Team. Formal agendas, papers and reports are supplied to the Governing Body members in a timely manner.

Information presented to the Governing Body and its committees is drafted by the appropriate department and proceeds through the necessary internal clearance procedures before being presented as formal agendas, papers and reports to the Governing Body. This ensures a high quality of reliable and up to date information is presented for the Governing Body’s consideration. The Governing Body is content with the quality and reliability of the information presented during 2022/23.

The Governing Body through its stewardship complies with the Corporate Governance Code.

Attendance during the year at the Governing Body meetings was as follows:

<b>Member</b>	<b>Meetings Attended</b>	<b>Out of a Possible</b>
Mr Samuel Kevin Chambers	8	8
Mrs Louise Crilly	5	8
Mr Philip Graham	8	8
Ms Julie Hemphill (Staff Governor)	6	7
Mr William Hutchinson	2*	8
Mr Mel Higgins (Principal & CEO)	8	8
Ms Yvonne Mallon	8	8
Mrs Pauline Martin	7	8
Mr Donal MacAuley	5	7
Mr Gary McAllister	8	8
Mr William McCluggage	8	8
Ms Denise McIlwaine	8	8
Mr Raymond McKernan	7	8
Ms Amy Morrow (Student Governor)	4	5
Mr Ian Murphy	8	8
Mr Ken Nelson (Chair)	8	8
Mr Simon Shevlin	6	8
Mr David Small	8	8

A minimum of six members of the Board must be present for the meeting to be deemed quorate. All Board meetings during the 2022/23 financial year were fully quorate.

\*Attendance of Mr Hutchinson during the year was impacted by illness.

## 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 year. Discussion included reports from the External and Internal Auditors and the relevant responses.

It also receives and considers reports from the Department for the Economy. 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 meets with auditors on their own for an independent discussion once a year, prior to a meeting of Committee.

Attendance during the year at the Audit Committee meetings was as follows:

Member	Meetings Attended	Out of a Possible
Mrs Louise Crilly	3	4
Dr Philip Graham	4	4
Mr William Hutchinson	1*	4
Mrs Pauline Martin (Vice Chair)	4	4
Mr William McCluggage (Chair)	4	4
Mr David Small	3	4

\*Attendance of Mr Hutchinson during the year was impacted by illness.

## NIAO Report

The NI Audit Office has reported at pages 90 to 91 on issues relating to the audit of financial information provided by the College, for consolidation into the Department’s accounts for 31 March 2023 and the knock-on delay to the audits for the 31 March and 31 July accounts.

The College has accepted the report and expressed disappointment at the reduced level of service due to the loss of several key finance staff during the year. Difficulties were also experienced across the FE Sector due to the additional year-end accounting and audit requirements which impacted all resources. An action plan to address the issues will be implemented and monitored during the year, including new Departmental training on revised processes.

### Resources Committee

The Resources Committee supervises all matters relating to the finance and resources (staffing and other resources) of the College. The Committee is responsible for ensuring the College meets its statutory obligations under section 75 of the NI Order (1998). The Committee met seven times during the 2022/23 year. The three additional meetings called during the year were as a result of the exceptional budgetary situation.

Attendance during the year at the Resources Committee meetings was as follows:

Member	Meetings Attended	Out of a Possible
Mr Mel Higgins (Principal & CEO)	7	7
Ms Yvonne Mallon	6	7
Mr Donal MacAuley	3	4
Ms Denise McIlwaine (Vice Chair)	7	7
Mr Raymond McKernan	7	7
Mr Ian Murphy (Chair)	7	7

### 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 needs of the community the College seeks to serve. The Committee met four times during the 2022/23 year.

Attendance during the year at the Education Committee meetings was as follows:

Member	Meetings Attended	Out of a Possible
Mr Kevin Chambers (Chair)	4	4
Dr Philip Graham (Vice Chair)	4	4

Ms Julie Hemphill (Staff Governor)	3	4
Mr Mel Higgins (Principal & CEO)	4	4
Mr Gary McAllister	4	4
Ms Amy Morrow (Student Governor)	3	3
Mr Simon Shevlin	3	4

### **Governing Body Performance and Effectiveness**

On 21 February 2023, the Governing Body with the Senior Leadership Team and key members of the Senior Management Team met for a strategy workshop. The Director of Further Education was invited to address the workshop and external speakers gave overviews of key FE NI strategic policies and labour market effects that would influence the College plan. The group drafted and agreed the key themes, priorities and goals for the next three years using feedback from staff engagement sessions.

The Governing Body completed the self-assessment exercise organised by the Department (as per FE Circular FE 06/12). The results of the analysis report, along with actions and proposals for moving forward, were considered by the Governing Body at the meeting on 23 November 2022.

A schedule of membership and attendance at Governing Body and Committee meetings for the 2022/23 year is shown in the tables above. In total there were twenty-three meetings of the Governing Body and its various subcommittees during 2022/23. Average attendance of governors, excluding staff and student representatives, recorded at Governing Body meetings during 2022/23 was 89.2% (90.4% for 2021/22). 2022/23 average attendance was lower due to member illness and additional meetings, as listed in the Statement of Corporate Governance & Internal Control - Governing Body.

In conclusion the Governing Body and Committees of the Northern Regional College met regularly and conducted business effectively during 2022/23.

### **Senior Leadership Team**

The Senior Leadership Team (SLT) of the College consists of:

- Principal;
- Chief Operating Officer;
- Vice Principal Performance and Development; and
- Vice Principal Teaching & Learning.

The purpose of the SLT is to act as the strategic leadership forum within the College. The SLT is responsible for the operational implementation of the vision and objectives agreed by the Governing Body.

The Senior Management Team comprises the SLT and all Heads of Department (academic and support).

## Risk Management

The College is committed to the principles endorsed by Northern Ireland Audit Office in its guidance “Good Practice in Risk Management”.

By adopting the above risk management principles, and embedding a culture of effective risk management, the College’s key principles in relation to risk management and internal control are as follows:

- The Governing Body has responsibility for determining the risk appetite of the College and overseeing risk management within the College as a whole;
- The Principal and Senior Management Team support, advise and implement policies approved by the Governing Body;
- Senior and middle managers are responsible for encouraging good risk management practice within their designated managed area; and
- Key risks will be identified and closely monitored on a regular basis.

The Accounting Officer has responsibility for maintaining a sound system of internal controls that supports the achievements of aims and objectives, whilst safeguarding the public funds and College assets. This includes having a system in place to ensure that all business areas identify the key risks to the achievement of the organisation’s objectives. The Accounting Officer reports annually on the College’s system of internal control in the Governance Statement.

The College has an outsourced 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 & Risk Committee on a regular basis and have direct access to the Governing Body and to the Chairman of the Audit & Risk Committee. Internal Audit has issued an Assurance Statement that provides an opinion on the adequacy and effectiveness of the internal control system and the extent to which it can be relied upon.

The principal risks facing the College at 31 July 2023 have been identified as:

Risks	Description
1	The College does not meet enrolment targets
2	The College does not improve the quality of education

5	The College does not achieve sustainable financial health impacting successfully delivering CDP targets and outcomes
6	The College does not comply fully with information governance legislation (FOI, DPA, GDPR, EIR & PECR)
7	The College suffers delayed/reduced enrolments due to Learner Management System not meeting operational capacity at enrolment
9	The College fails to deliver full educational programme due to the potential for industrial action caused by not providing a lecturing pay increase for revalorisation
10	The College fails to deliver the agreed Estates rationalisation programme to current timescales resulting in suboptimal learning environment for students
12	The College is subject to cyber-attack causing widespread disruption and an inability to deliver business functions
13	College WBL students, external employers and College reputation impacted due to implementation of DfE / FE sector-wide TAMS system ( <b>NOTE 2</b> )

In addition to the above, a risk register was managed for the College new build estates project and reported via the New Build Project Board.

**Note 1:** Risks 3, 4, 8 and 11 were removed from Corporate Risk Register to Departmental Risk Register in year.

**Note 2:** Risk 13 was added to the Corporate Risk Register in 2022/23.

### Fraud Reporting

The anti-fraud and bribery policy sets out the definition of fraud, details the responsibilities regarding the prevention of fraud and highlights the procedures to be followed in the event of a fraud being detected or suspected. The fraud response plan is a procedural guide and provides a checklist of the required actions which must be followed in the event of a fraud, attempted fraud or irregular activity being suspected.

### Raising Concern / Whistleblowing

There were five raising concerns instances during the year: three upheld, one partially upheld and one not upheld.

## Internal Audit

The College’s Internal Audit function is outsourced to RSM Northern Ireland (UK) Limited, following a sector wide procurement exercise in 2020. The main remit of the Internal Audit function is to provide the Accounting Officer with an independent and objective opinion on the overall adequacy and effectiveness of the organisation’s risk management, control and governance processes.

The Annual Opinion and Report, provided by the Internal Audit function, is a key element of the framework of assurance that the Accounting Officer needs to inform this Governance Statement. The Internal Audit function operates in accordance with HM Treasury’s Public Sector Internal Audit Standards (PSIAS).

The Audit & Risk Committee set an audit strategy and work plan for the financial year 2022/23, which was carried out by RSM. For the period 2022/23 RSM has reported an overall **satisfactory** audit opinion on the College’s system of governance, risk management and internal control. Satisfactory is the highest assurance rating available.

A summary of the internal audit work and the assurance ratings for each is shown below:

<b>Area Reviewed:</b>	<b>Assurance Rating</b>
<b>Key Financial Controls</b>	Satisfactory
<b>LMS Performance and User Experience</b>	N/A – Advisory Work
<b>Higher Education Provision</b>	Satisfactory
<b>Business Development, Marketing and Promotion</b>	Satisfactory
<b>Lost Learning</b>	N/A – Advisory Work

All internal audit recommendations have either been addressed during the year or are still being implemented. Progress reporting on any outstanding audit recommendations is presented to the Audit & Risk Committee.



## Information Assurance

Effective information security is a key priority for the College and it recognises that stringent principles of information security must be applied to all information it holds. The College did not report any data incidents to the Information Commissioner's Office (ICO) in 2022/23.

Signed:

A handwritten signature in black ink that reads "Mel Higgins".

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**Mr Mel Higgins**

Date: 20 March 2024

Accounting Officer

Northern Regional College

## **THE CERTIFICATE 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 Northern 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 Northern 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 Northern 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 Northern 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 Northern 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 Northern 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 Northern 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 Northern 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 Northern 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 Northern 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 Northern 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 Northern 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:
  - performing analytical procedures to identify unusual or unexpected relationships or movements;
  - testing journal entries to identify potential anomalies, and inappropriate or unauthorised adjustments;
  - assessing whether judgements and other assumptions made in determining accounting estimates were indicative of potential bias; and
  - 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](http://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 reported at pages 92 and 93 on issues relating to my audit of financial information provided by the College for consolidation within the Department for the Economy's group financial statements.

A handwritten signature in black ink that reads "Dorinnia Carville". The signature is written in a cursive style with a large initial 'D'.

*Dorinnia Carville*

*Comptroller and Auditor General*

*Northern Ireland Audit Office*

*106 University Street*

*BELFAST*

*BT7 1EU*

21 March 2024

## STATEMENT OF COMPREHENSIVE INCOME AND EXPENDITURE FOR THE YEAR ENDED 31 JULY 2023

	Notes	2023	2022
		£'000	£'000
<b>Income</b>			
Department for the Economy income	1	30,668	31,622
Education contracts	2	2,591	2,570
Tuition fees and charges	3	1,646	1,547
Other grant income	4	130	114
Other operating income	5	544	622
Investment income	6	142	1
Donations and endowments	7	0	0
<b>Total income</b>		<b>35,721</b>	<b>36,476</b>
<b>Expenditure</b>			
Staff costs	8	26,358	27,040
Other operating expenses	10	8,476	8,581
Interest and other finance costs	11	222	321
Depreciation/Amortisation	13/14	4,412	4,197
<b>Total expenditure</b>		<b>39,468</b>	<b>40,139</b>
<b>(Deficit)/Surplus before exceptional items</b>		<b>(3,747)</b>	<b>(3,663)</b>
Exceptional Item: Holiday Pay Liability	8	(38)	(57)
<b>(Deficit)/Surplus before tax</b>		<b>(3,785)</b>	<b>(3,720)</b>



	Notes	2023 £'000	2022 £'000
Taxation	12	0	0
<b>(Deficit)/Surplus for the year</b>		<b>(3,785)</b>	<b>(3,720)</b>
<b>OTHER COMPREHENSIVE INCOME:</b>			
Unrealised surplus on revaluation of land and buildings	13	2	3,590
Actuarial gain / (loss) in respect of pension scheme	22	10,629	14,426
<b>Total comprehensive income for the year</b>		<b>6,846</b>	<b>14,296</b>
Represented by:			
Endowment comprehensive income for the year		3	1
Unrestricted comprehensive income for the year		6,843	14,295

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 FOR YEAR ENDED 31 JULY 2023

	Unrestricted (excl. pension)	Pension Reserve	Unrestricted (incl. pension)	Endowment	Revaluation Reserve	TOTAL
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Balance at 1 August 2021</b>	<b>1,455</b>	<b>(17,635)</b>	<b>(16,180)</b>	<b>64</b>	<b>38,668</b>	<b>22,552</b>
(Deficit)/Surplus from income and expenditure statement	(938)	(2,782)	(3,720)	-	-	(3,720)
Other comprehensive income	-	14,426	14,426	-	3,590	18,016
Transfers between revaluation and income and expenditure account	2,052	-	2,052	-	(2,052)	0
<b>Balance at 31 July 2022</b>	<b>2,569</b>	<b>(5,991)</b>	<b>(3,422)</b>	<b>64</b>	<b>40,206</b>	<b>36,848</b>

	Unrestricted (excl. pension)	Pension Reserve	Unrestricted (incl. pension)	Endowment	Revaluation Reserve	TOTAL
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Balance at 1 August 2022</b>	<b>2,569</b>	<b>(5,991)</b>	<b>(3,422)</b>	<b>64</b>	<b>40,206</b>	<b>36,848</b>
(Deficit)/Surplus from income and expenditure statement	(3,031)	(754)	(3,785)	-	-	(3,785)
Other comprehensive income	-	10,629	10,629	-	2	10,631
Transfers between revaluation and income and expenditure account	2,071	-	2,071	-	(2,071)	0
<b>Balance at 31 July 2023</b>	<b>1,609</b>	<b>3,884</b>	<b>5,493</b>	<b>64</b>	<b>38,137</b>	<b>43,694</b>

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

## STATEMENT OF FINANCIAL POSITION AS AT 31 JULY 2023

	Notes	2023	2022
		£'000	£'000
<b>Non Current Assets</b>			
Property, Plant and Equipment	13	97,625	69,615
Intangible assets	14	254	331
Pension asset	19	3,884	0
		<b>101,763</b>	<b>69,946</b>
<b>Current assets</b>			
Trade and other receivables	16	7,739	3,483
Cash and cash equivalents	21	4,657	5,772
<b>Total current assets</b>		<b>12,396</b>	<b>9,255</b>
Less: Payables - amounts falling due within one year	17	11,439	7,150
<b>Net current assets</b>		<b>957</b>	<b>2,105</b>
<b>Total assets less current liabilities</b>			
		<b>102,720</b>	<b>72,051</b>
Less : Payables: amounts falling due after more than one year	18	58,435	28,531
<b>Provisions:</b>			
Pension provisions	19/22	0	(5,991)
Other provisions	19	(591)	(681)
<b>Net Assets including pension liability</b>		<b>43,694</b>	<b>36,848</b>
<b>Unrestricted Reserves</b>			
Income and expenditure account (exc. Pension)		1,609	2,569
Pension Reserve		3,884	(5,991)
Income and expenditure account (Inc. Pension)		<b>5,493</b>	<b>(3,422)</b>
Revaluation Reserve		38,137	40,206
<b>Restricted Reserves</b>			

Endowments	20	64	64
<b>Total Reserves</b>		<b>43,694</b>	<b>36,848</b>

The financial statements on pages 55 to 91 were approved by the Governing Body of the Northern Regional College on 20 March 2024 and were signed on its behalf by:



Mr Ken Nelson  
Chair of the Governing Body  
Northern Regional College

Date: 20 March 2024



Mr Mel Higgins  
Accounting Officer  
Northern Regional College

Date: 20 March 2024

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

**STATEMENT OF CASHFLOWS FOR THE YEAR ENDED 31 JULY 2023**

	Notes	2023	2022
		£'000	£'000
<b>Cash inflow/ (outflow) from operating activities</b>			
(Deficit) / Surplus for the Year		(3,785)	(3,720)
<b>Adjustment for non-cash items</b>			
Depreciation/Amortisation	13/14	4,412	4,197
(Increase)/ Decrease in receivables	16	(4,256)	(1,339)
Increase / (Decrease) in payables less one year	17	4,289	1,132
Increase / (Decrease) in payables more one year	18	29,904	10,689
Other Provisions	19	(90)	57
Pension cost less contributions payable	22	532	2,461
Pension interest cost	22	222	321
<b>Adjustment for investing or financing activities</b>			
Investment income	6	(142)	(1)
<b>Net Cash inflow / (outflow) from operating activities</b>		<b>31,086</b>	<b>13,797</b>
<b>Cash flows from investing activities</b>			
Investment income	6	142	1
Payments made to acquire fixed assets	13/14	(32,343)	(12,966)
<b>(Decrease)/Increase in cash and cash equivalents in the year</b>		<b>(1,115)</b>	<b>832</b>
Net funds at 1 August	21	5,772	4,940
<b>Net funds at 31 July</b>	<b>21</b>	<b>4,657</b>	<b>5,772</b>

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 FOR THE YEAR ENDED 31 JULY 2023**

### **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 the going concern basis in accordance with the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education 2019 and in accordance with Financial Reporting Standards (FRS 102) The Financial Reporting Standard applicable in the UK and Republic of Ireland. The College is a public benefit entity and has therefore applied the relevant public benefit entity requirements for FRS 102. The financial statements are prepared in accordance with the historical cost convention except that certain freehold properties are shown at their revalued amounts.

They also conform to the Accounts Direction issued by the Department for the Economy (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 cashflow, liquidity and borrowings are described in the financial statements and accompanying notes.

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 a going concern basis for the preparation of these financial statements.

### **Basis of consolidation**

The College has no subsidiaries.

## **Recognition of Income**

### **Government Grants**

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)**

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 in income when the College is entitled to the funds subject to any performance related conditions being met.

### **Donations and Endowments**

Non-exchange transactions without performance-related conditions are donations and endowments. Donations and endowments with donor-imposed restrictions are recognised in

income when the College is entitled to the income. Income is retained within the restricted reserve until such time that it is utilised in line with such restrictions at which point the income is released to general reserves through a reserve transfer.

Donations with no restrictions are recognised in income when the College is entitled to the funds.

## **Pension Scheme**

The two principal pension schemes for the College's staff are the Northern Ireland Teacher's 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.

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 contribution 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 and Expenditure.

## **Enhanced pensions**

The actual cost of any enhanced ongoing pension to a former member of staff is paid by the College annually. An estimate of the expected future cost of any enhancement to the ongoing pension of a



former member of staff is charged in full to the College's Statement of Comprehensive Income and Expenditure in the year that the member of staff retires. In subsequent years a charge is made to provisions in the Statement of Financial Position.

## Property, Plant and Equipment

### ▪ Land and buildings

Land and buildings (including those inherited from the former Education and Library Board) are stated in the Statement of Financial Position at valuation on the basis of depreciated replacement cost (inclusive of 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 revalued 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 Statement at cost. Freehold land is not depreciated. Freehold buildings are depreciated over their expected useful economic life to the College as advised by Land and Property Services (LPS). Where land and buildings are acquired with the aid of specific grants, these are accounted for in accordance with the revenue recognition policies above.

### ▪ Assets under construction

Assets under construction are accounted for at cost, based on the value of architects' certificates and other direct costs, incurred to 31 July. They are not depreciated until they are brought into use.

### ▪ 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. Assets other than land and buildings inherited from the former Education and Library Board are included in the Statement of Financial Position at valuation. All other assets are capitalised at cost.

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

Computers	- three years straight-line
Motor vehicles	- four years straight-line
Plant and equipment	- five years straight-line
Fixtures and fittings	- seven years straight-line

### • 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 substantial 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 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.

- **Intangible Assets**

Intangible assets, greater than £3,000 per individual item, should be capitalised. Software integral to an item of hardware should be dealt with as fixed assets.

- **Jointly Controlled Assets**

Colleges recognise their individual share of assets that are jointly owned and controlled amongst the Northern Ireland Further Education sector. The assets are classified according to their nature.

## **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 Statement of Comprehensive Income and Expenditure 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 of Property, Plant and Equipment as appropriate, where the inputs themselves are Property, Plant and Equipment by nature.

## **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 27. The College administers the Hardship Fund applications and payments through a Student Hardship Committee in line with the recommendations from DfE.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023****1. DEPARTMENT FOR THE ECONOMY INCOME**

	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
<b>Grant in aid received from DfE</b>		
Recurrent grant	27,367	25,739
Release of deferred capital grants	2,381	2,116
<b>Grant in aid Total</b>	<b>29,748</b>	<b>27,855</b>
<b>Non-grant in aid received from DfE</b>		
Education maintenance allowance (EMA) administration	16	18
Higher Level Apprenticeships	381	279
Covid-19 Funding	0	2,311
Ukrainian Scheme	44	0
Skills Intervention	338	400
FE Programme	14	10
ERAP Funding	0	749
Vulnerable Persons Resettlement Scheme (VPRS)	48	0
Worldskills Competition	44	0
Ignite Your Skills	35	0
<b>Non-grant in aid Total</b>	<b>920</b>	<b>3,767</b>
<b>Total DfE income</b>	<b>30,668</b>	<b>31,622</b>

**2. EDUCATION CONTRACTS**

	2023	2022
	£'000	£'000
Entitlement Framework	405	410
Training for Success/Apprenticeships*	2,186	2,160
<b>Total</b>	<b>2,591</b>	<b>2,570</b>

\*TfS/Apprenticeships income is currently treated as revenue due to the commercial nature of the award of contracts.

**3. TUITION FEES AND CHARGES**

	2023	2022
	£'000	£'000
Higher Education (HE) income	696	652
Home and other European Union	950	895
<b>Total</b>	<b>1,646</b>	<b>1,547</b>

**4. OTHER GRANT INCOME**

	2023	2022
	£'000	£'000
European funds	36	(8)
Other funds	94	122
<b>Total</b>	<b>130</b>	<b>114</b>

**5. OTHER OPERATING INCOME**

	2023	2022
	£'000	£'000
Catering and residence operations	145	81
Other income generating activities	397	538
Other income	2	3
<b>Total</b>	<b>544</b>	<b>622</b>

**6. INVESTMENT INCOME**

	2023	2022
	£'000	£'000
Income from endowments	3	1
Other interest receivable	139	0
<b>Total</b>	<b>142</b>	<b>1</b>

**7. DONATIONS AND ENDOWMENTS**

	2023	2022
	£'000	£'000
New Endowments	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

**8. 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
	Number	Number
Governing Body	0	0
Teaching	320	314
Support	97	98
Administration	149	146
Premises	20	20
<b>Total</b>	<b>586</b>	<b>578</b>

**STAFF COMPOSITION**

The table below provides a breakdown of the number of persons employed by the College, as at 31 July, by gender for each of the following groups:

	31 July 2023		
	Male	Female	Total
Principal, Chief Executive and Deputy Directors	2	2	4
Employees	271	432	703

**STAFF COSTS FOR THE ABOVE POSTS**

	2023	2022
	£'000	£'000
Governing Body	62	62
Teaching	14,122	14,206
Support	3,107	3,024
Administration	7,809	6,614
Premises	726	673
Pension Cost	532	2,461
<b>Total (excluding Exceptional Item)</b>	<b>26,358</b>	<b>27,040</b>
Exceptional Item: Holiday Pay Provision (See Note 19)	38	57
<b>Total Staff Costs (including Exceptional Item)</b>	<b>26,396</b>	<b>27,097</b>
Wages & salaries	20,027	18,726
Social security costs	1,903	1,848
Other pension costs (including FRS 102 adjustments)	4,428	6,466
<b>Total (excluding Exceptional Item)</b>	<b>26,358</b>	<b>27,040</b>
Exceptional Item: Holiday Pay Provision (See Note 19)	38	57
<b>Total Staff Costs (including Exceptional Item)</b>	<b>26,396</b>	<b>27,097</b>

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

	Senior Post-holders		Other Staff	
	2023	2022	2023	2022
	No.	No.	No.	No.
£60,001 to £70,000	1	-	6	14
£70,001 to £80,000	-	-	7	7
£80,001 to £90,000	-	-	1	-
£90,001 to £100,000	2	3	-	-
£100,001 to £110,000	-	-	-	-
£110,001 to £120,000	-	-	-	-
£120,001 to £130,000	-	-	-	-
£130,001 to £140,000	1	1	-	-
£140,001 to £150,000	-	-	-	-
£150,001 to £160,000	-	-	-	-
	4	4	14	21

Back-pay has been excluded from 2023 and 2022 figures above.

Decrease in 'Other Staff' figures from 2022 is due to reduction in overtime (-10) offset by new SMT members appointed part way through 2022 year (3).

## 9. KEY MANAGEMENT PERSONNEL

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the College and are represented by the college Governing Body and Senior Leadership Team which comprises the Principal and holders of the other senior posts.

	2023 Number	2022 Number
The number of senior post-holders including the Principal was:	4	4



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

	2023	2022
	£'000	£'000
Salaries	308	338
Benefits in Kind	0	0
Pension contributions	77	83
<b>Total emoluments</b>	<b>385</b>	<b>421</b>

The above emoluments include amounts payable to the Principal (who is also the highest paid senior post-holder) of:

	2023	2022
	£'000	£'000
Salaries	106	106
Pension contributions	27	27
<b>Total</b>	<b>133</b>	<b>133</b>

Compensation for loss of office to a former senior post-holder

	2023	2022
	£'000	£'000
Compensation paid to the former post-holder	0	0
Estimated value of other benefits, including provisions for pension benefits	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

The members of the College other than the Principal 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.

**10. OTHER OPERATING EXPENSES**

	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
Direct teaching	496	885
Direct support	2,772	2,391
Administration	1,680	1,645
Premises costs	3,528	3,660
<b>Total</b>	<b>8,476</b>	<b>8,581</b>
<b>Other operating expenses include:</b>		
<b>Auditors' remuneration:</b>		
Financial statements external audit	50	32
National Fraud Initiative external audit	1	0
Internal audit	23	20

**11. INTEREST AND OTHER FINANCE COSTS**

	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
Net Charge on Pension Scheme (note 22)	222	321
<b>Total</b>	<b>222</b>	<b>321</b>

**12. TAXATION**

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

**13. PROPERTY, PLANT AND EQUIPMENT**

	Freehold Land & Buildings	Assets Under Construction	Plant & Machinery	Computer Equipment	Fixtures & Fittings	Motor Vehicles	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Cost or valuation</b>							
At 1 August 2022	51,549	17,766	7,878	6,444	428	484	84,549
Additions	76	29,686	790	1,057	734	-	32,343
Surplus/(Deficit) on reval	25	-	-	-	-	-	25
Elimination in respect of reval	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
<b>At 31 July 2023</b>	<b>51,650</b>	<b>47,452</b>	<b>8,668</b>	<b>7,501</b>	<b>1,162</b>	<b>484</b>	<b>116,917</b>
<b>Depreciation</b>							
At 1 August 2022	2,316	-	6,448	5,444	247	479	14,934
Charge for the year	2,489	-	646	1,070	128	2	4,335
Back log depreciation	23	-	-	-	-	-	23
<b>At 31 July 2023</b>	<b>4,828</b>	<b>0</b>	<b>7,094</b>	<b>6,514</b>	<b>375</b>	<b>481</b>	<b>19,292</b>
<b>Net book value At 31 July 2023</b>	<b>46,822</b>	<b>47,452</b>	<b>1,574</b>	<b>987</b>	<b>787</b>	<b>3</b>	<b>97,625</b>
Net book value At 31 July 2022	49,233	17,766	1,430	1,000	181	5	69,615

Indices, provided by Land and Property Services, were applied to the College's Land and Buildings (not impacted by the new build project) to provide valuations at 31 July 2023. This resulted in an

increase of £2k. The total net book value of Land and Buildings, excluding assets under construction at 31 July 2023, is £46.8m, with assets under construction totalling £47.5m.

If inherited land and buildings had not been revalued they would have been included at the following amounts:

	2023	2022
	£'000	£'000
Cost	13,404	13,404
Aggregate depreciation based on cost	(5,256)	(4,859)
<b>Net book value based on cost</b>	<b>8,148</b>	<b>8,545</b>

The net book value of **Property, Plant and Equipment** includes an amount of £0k (2022: £0k) in respect of assets held under finance leases.

**The depreciation charge for the year is analysed as follows:**

	2023	2022
	£'000	£'000
Owned assets	4,335	4,190
Assets held under finance leases and hire purchase arrangements	-	-
<b>Net book value based on cost</b>	<b>4,335</b>	<b>4,190</b>

## 14. INTANGIBLE ASSETS

	Learner Management System (NI FE Sector)	Total
	£'000	£'000
<b>Cost or valuation</b>		
At 1 August 2022	424	424
Additions	-	-
Disposals	-	-
<b>At 31 July 2023</b>	<b>424</b>	<b>424</b>
<b>Amortisation</b>		
At 1 August 2022	93	93

Charge for year	77	77
<b>At 31 July 2023</b>	<b>170</b>	<b>170</b>
<b>Net Book Value at 31 July 2023</b>	<b>254</b>	<b>254</b>
Net Book Value at 31 July 2022	331	331

The net book value of the intangible asset is a jointly owned and controlled asset among the six Further Education Colleges of Northern Ireland. The asset is a Learner Management System that will be operated centrally for the sector. The intangible asset is funded in full through a capital grant from the Department for the Economy.

## 15. INVESTMENTS

The College does not have any subsidiary companies.

## 16. TRADE AND OTHER RECEIVABLES

	2023	2022
	£'000	£'000
Amounts falling due within one year:		
Trade receivables	612	273
Prepayments and accrued income	550	882
Amounts due from the Department	6,577	2,328
<b>Total receivables</b>	<b>7,739</b>	<b>3,483</b>

## 17. PAYABLES: AMOUNTS FALLING DUE IN LESS THAN ONE YEAR

	2023	2022
	£'000	£'000
Payments received in advance	132	116
Trade payables	3,585	1,167
Taxation and social security	1,008	1,032

Accruals and deferred income	6,532	4,384
Amounts owed to the Department	182	451
<b>Total</b>	<b>11,439</b>	<b>7,150</b>

### 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
Deferred Capital Grant Income	1,668	1,599
<b>Total</b>	<b>1,668</b>	<b>1,599</b>

### 18. PAYABLES - AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2023	2022
	£'000	£'000
Deferred Capital Grant Income	58,435	28,531
<b>Total</b>	<b>58,435</b>	<b>28,531</b>

### 19. PROVISIONS FOR LIABILITIES AND CHARGES

	Pensions	Other	Total
	£'000	£'000	£'000
At 1 August 2022	5,991	681	6,672
Additions / (Release)	0	0	0
Expenditure in the period	754	38	792
Transferred to Accruals	0	(128)	(128)
Transferred to statement of comprehensive income and expenditure	(10,629)	0	(10,629)
At 31 July 2023	<b>(3,884)</b>	<b>591</b>	<b>(3,293)</b>

	<b>Pensions</b>	<b>Other</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
At 1 August 2021	17,635	624	18,259
Additions / (Release)	0	57	57
Expenditure in the period	2,782	0	2,782
Transferred to statement of comprehensive income and expenditure	(14,426 )	0	(14,426 )
At 31 July 2022	<b>5,991</b>	<b>681</b>	<b>6,672</b>

Pensions provisions above relates to Pensions and Similar Obligations – see Note 22.

The provision of £591k 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 judgement determined that claims for Holiday Pay shortfall can be taken back to 1998.

The PSNI appealed the CoA judgment 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 14<sup>th</sup> and 15<sup>th</sup> December 2022.

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

The £591k 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). The decrease from prior year reflects the update to the Employer National Insurance rate (reduction from 15.05% to 13.8%).

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 Court of Appeal'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 includes an uplift of 13.8% for Employer National Insurance Contributions (NIC) £61k (2022: £67k at 15.05%); 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.

## 20. ENDOWMENT RESERVES

	2023	2022
	£'000	£'000
At 1 August	64	64
New endowments	0	0
<b>At 31 July</b>	<b>64</b>	<b>64</b>

## 21. CASH AND CASH EQUIVALENTS

	At 1 August 2022	Cash flows	At 31 July 2023
	£'000	£'000	£'000
Cash and cash equivalents	5,772	(1,115)	4,657

## 22. PENSIONS 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.

### Total pension cost for the year

	2023	2022
	£'000	£'000
NITPS: Contributions paid	2,707	2,853
NILGOSC: Contributions paid	1,189	1,152
NILGOSC: FRS 102 (28) adjustments	532	2,461
<b>NILGOSC: charge to the Statement of Comprehensive Income and Expenditure</b>	<b>1,721</b>	<b>3,613</b>



Enhanced pension charge to the Statement of Comprehensive Income and Expenditure	4,428	6,466
<b>Total pension cost for year</b>	<b>4,428</b>	<b>6,466</b>

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 2019.

## 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](http://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 31 March 2015 and the establishment of new schemes based on a career average re-valued earning 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 from 17.7% to 25.1% from 1 April 2019.

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

Pensionable Pay	Contribution Rate
£0 to £29,187.99	7.4%
£29,188 to £39,290.99	8.6%
£39,291 to £46,586.99	9.6%
£46,587 to £61,742.99	10.2%
£61,743 to £84,193.99	11.3%
£84,194 and above	11.7%

The salary bands applicable to member contributions for the NITPS, based on a member's annual salary rate (actual earnings), from 1 April 2023 were:

Pensionable Pay	Contribution Rate
£0 to £32,135.99	7.4%
£32,136 to £43,259.99	8.6%
£43,260 to £51,292.99	9.6%
£51,293 to £67,979.99	10.2%
£67,980 to £92,697.99	11.3%
£92,698 and above	11.7%

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.

### **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.

From 1 April 2023 the employers' contribution rates was 19% of the full-time salary or if-part-time, the full-time equivalent salary, and the employees' contribution rate is banded in line with the full-time salary or if part-time, the full-time equivalent salary as follows:

Pensionable Pay	Contribution Rate
£0 to £16,900	5.5%
£16,901 to £26,000	5.8%
£26,001 to £43,400	6.5%
£43,401 to £52,800	6.8%
£52,801 to £104,700	8.5%
More than £104,700	10.5%

The following information is based upon a full actuarial valuation of the fund at 31 March 2019 updated to 31 July 2023 by a qualified actuary.

## Principal Actuarial Assumptions

Principal actuarial assumptions at the Statement of Financial Position date are as follows:

	At 31 July 2023	At 31 July 2022
Rate of increase of salaries	4.35%	4.25%
Rate of increase for pensions in payments/inflation	2.85%	2.75%
Discount rate for scheme liabilities	5.10%	3.55 %
Inflation assumption (CPI)	2.85%	2.75%
Future increase in Retail Prices Index (RPI)	3.15%	3.10%

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
Retiring today		
Males	21.3	21.8
Females	24.1	25.1
Retiring in 20 years		
Males	21.9	22.2
Females	24.9	25.2

The College's share of the assets in the scheme were:

	Value at 31 July 2023	Value at 31 July 2022
	£'000	£'000
Equities	19,409	17,263
Property	4,679	5,479
Government Bonds	8,440	10,254
Corporate Bonds	1,307	980
Multi Asset Credit	5,896	5,679
Cash / Other	5,466	5,049
<b>Fair Value of Assets</b>	<b>45,197</b>	<b>44,704</b>

**Amounts recognised in the Statement of Financial Position**

	2023	2022
	£'000	£'000
Scheme assets	45,197	44,704
Scheme liabilities	(41,313)	(50,695)
<b>Surplus/(Deficit) in the scheme (net pension liability recorded within pension provision)</b>	<b>3,884</b>	<b>(5,991)</b>

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
Employer service cost (net of employee contributions)	532	3,562
Past Service Cost / Curtailment	0	51
<b>Total</b>	<b>532</b>	<b>3,613</b>

**Analysis of pension finance costs**

	2023	2022
	£'000	£'000
Expected return on pension scheme assets	1,598	809
Interest cost	(1,820)	(1,130)
<b>Net charge to other finance costs</b>	<b>(222)</b>	<b>(321)</b>

**Analysis of other comprehensive income for pensions**

	2023	2022
	£'000	£'000
Actuarial (losses) / gains from assets	(1,744)	(3,883)
Actuarial gains / (losses) from a change in financial assumptions	13,180	21,239

Actuarial gains / (losses) from a change in demographic assumptions	1,233	453
Actuarial (losses) / gains from experience	(2,040)	(3,383)
<b>Total of other comprehensive income</b>	<b>10,629</b>	<b>14,426</b>

### Movement in (deficit) during the year

	2023	2022
	£'000	£'000
Deficit in scheme at 1 August	(5,991)	(17,635)
<b>Movement in the year:</b>		
Employer service cost (net of employee contributions)	(1,721)	(3,562)
Employer contributions	1,189	1,152
Net interest on assets	(222)	(321)
Past Service Cost / Curtailment	0	(51)
Actuarial gain / (loss) recognised in other comprehensive income	10,629	14,426
<b>Surplus/(Deficit) in scheme at 31 July</b>	<b>3,884</b>	<b>(5,991)</b>

### Asset and liability reconciliation

	2023	2022
	£'000	£'000
<b>Reconciliation of liabilities</b>	<b>£'000</b>	<b>£'000</b>
<b>Liabilities at start of period</b>	<b>50,695</b>	<b>65,042</b>
Service cost	1,721	3,562
Interest cost	1,820	1,130
Employee contributions	383	370
Actuarial (gain)/loss	(12,373)	(18,309)
Benefits paid	(933)	(1,151)
Past Service Cost	0	51
<b>Assets at end of period</b>	<b>41,313</b>	<b>50,695</b>

	2023	2022
Reconciliation of assets	£'000	£'000
<b>Assets at start of period</b>	<b>44,704</b>	<b>47,407</b>
Expected return on assets	1,598	809
Actuarial (loss) / gain	(1,744)	(3,883)
Employer contributions	1,189	1,152
Employee contributions	383	370
Benefits paid	(933)	(1,151)
<b>Assets at end of period</b>	<b>45,197</b>	<b>44,704</b>

The estimated value of employer contributions for the year ended 31 July 2024 is £1,187K.

### 23. CAPITAL COMMITMENTS

Provision has not been made for the following capital commitments at 31 July:

	2023	2022
	£'000	£'000
Contracted capital commitments at 31 July not otherwise included in these financial statements		
Assets Under Construction	39,412	56,269
<b>Total</b>	<b>39,412</b>	<b>56,269</b>

### 24. FINANCIAL COMMITMENTS

There were no financial commitments at 31 July 2023.

### 25. CONTINGENT LIABILITIES

There were no contingent liabilities at 31 July 2023.

## 26. RELATED PARTY TRANSACTIONS AND TRANSACTIONS INVOLVING GOVERNING BODY MEMBERS AND SENIOR MANAGEMENT

Owing to the nature of the College's operations and the composition of the Governing Body being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the Governing Body 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.

Table showing transactions where goods or services are provided to the College by the related organisation (all are governors other than those stated below name):

Governor / Senior Manager	Related organisation	Position in related organisation	Amount paid / (income) 2022/23 £'000	Amount paid / (income) 2021/22 £'000	Nature of transactions	Amount outstanding at 31 July 2023 £'000	Amount outstanding at 31 July 2022 £'000
Mrs Christine Brown	Causeway Chamber of Commerce	Member	2	1	Membership/Net working events/People Awards Fees	-	-
Mr Kevin Chambers	Dept for Infrastructure	Inspector for Public Inquiries	(2)	(2)	Tuition Fees	-	-
	St. Mary's PS, Saintfield, Board of Governors	Member	(7)	-	Tuition Fees	-	-
Cllr William Hutchinson	Belfast City Council	Member	1	-	Belfast Zoo Admissions	-	-
Mr Donal MacAuley (Staff Governor)	CCEA	Professional Associate	8	3	Exam fees	-	-
					Lecturer hours claimed	-	-
Mr Bill McCluggage	NI Fraud Forum	Chair	1	-	Conference Fees	-	-
	Triangle Housing Association	Director	-	(1)	Tuition Fees	-	-

Mr Ken Nelson	LEDCOM	CEO/Company Secretary	(1)	-	Tuition Fees	-	-
	Stranmillis University College	Member of Governing Body	-	22	Tuition Fees	-	-
Ms Denise McIlwaine	Chartered Institute of Personnel and Development	Member	6	-	Professional fees	-	-

## 27. AMOUNTS DISBURSED AS AGENT: SUPPORT FUNDS

Student Hardship funds are available solely for students; the College acts only as paying agent. The grant and related disbursements are therefore excluded from the Statement of Comprehensive Income & Expenditure.

	2023	2022
	£'000	£'000
Balance – Opening	39	13
DfE grants	83	105
	<b>122</b>	<b>118</b>
Disbursed to students	(65)	(79)
<b>Balance unspent/(overspent) at 31 July</b>	<b>57</b>	<b>39</b>

The College facilitated the DfE Covid-19 Staying Connected funding cash payments to Full-time HE students of £500. The College acts only as paying agent. The grant and related disbursements are therefore excluded from the Statement of Comprehensive Income & Expenditure.

	2023	2022
	£'000	£'000
DfE Staying Connected funding	0	15
Repaid to DfE	0	(15)
Disbursed to students / admin costs	0	0
<b>Balance at 31 July</b>	<b>0</b>	<b>0</b>



Care to learn funds are available solely for students' childcare obligations: the College acts only as paying agent. The grant and related disbursements are therefore excluded from the Statement of Comprehensive Income & Expenditure.

	2023	2022
	£'000	£'000
DfE care to learn grant	24	39
Disbursed to students' childcare providers	(24)	(39)
<b>Balance at 31 July</b>	<b>0</b>	<b>0</b>

## 28. LOSSES AND SPECIAL PAYMENTS

There was one loss or special payment exceeding £2,000 for the year. (2022: £0). This amounted to £3,666.

Total other claims abandoned for the year related to bad debt written off totalling £5k in relation to 23 cases. (2022: £9k, 47 Cases).

## 29. EVENTS AFTER THE END OF THE REPORTING PERIOD

### Lecturing Staff Pay Award – September 2021 and September 2022

The rates of salaries for Lecturers in Colleges of Further Education from 1 September 2021 and 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 rates of salaries for lecturers and the non-consolidated payment have been accrued in staff costs for the year ended 31 July 2023.

### Provisions

The provision of £591k 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 judgement determined that claims for Holiday Pay shortfall can be taken back to 1998.

The PSNI appealed the CoA judgment 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 Court of Appeal.

The narrative disclosure of Note 19 has been updated to reflect The Supreme Court judgement.

### **Reform to Save**

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 21 March 2024.

**30. ADDITIONAL DISCLOSURES TO COMPLY WITH FINANCIAL REPORTING MANUAL**

Financial Reporting Manual (FReM) 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.

	Notes	2023	2022
		£'000	£'000
<b>INCOME</b>			
DfE income (non grant in aid items)	1	920	3,767
Education contracts	2	2,591	2,570
Tuition fees and charges	3	1,646	1,547
Other grant income	4	130	114
Other operating income	5	544	622
Endowment and Investment income	6	142	1
<b>Total incoming resources</b>		<b>5,973</b>	<b>8,621</b>
<b>EXPENDITURE</b>			
Staff costs	8	(26,358)	(27,040)
Other operating expenses	10	(8,476)	(8,581)
Depreciation/Amortisation	13/14	(4,412)	(4,197)
Interest and other finance costs	11	(222)	(321)
<b>Total resources expended</b>		<b>(39,468)</b>	<b>(40,139)</b>
Exceptional Item: Holiday Pay Provision	8	(38)	(57)
<b>Net Deficit for the year</b>		<b>(33,533)</b>	<b>(31,575)</b>
Unrealised surplus/(deficit) on revaluation of land and buildings		2	3,590
Actuarial gain/(loss) in respect of pension scheme		10,629	14,426
<b>Amount transferred to reserves</b>		<b>(22,902)</b>	<b>(13,559)</b>

<b>Analysis of reserves prepared under FReM</b>	<b>Notes</b>	<b>2023</b>	<b>2022</b>
		<b>£'000</b>	<b>£'000</b>
Balance at 1 August		36,848	22,552
Grant in aid received in year	1	29,748	27,855
Amount transferred to reserves		(22,902)	(13,559)
<b>Balance at 31 July</b>		<b>43,694</b>	<b>36,848</b>

<b>DfE income (non-grant in aid items)</b>	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
EMA	16	18
Higher Level Apprenticeships	381	279
ERAP funding	0	749
Covid-19	0	2,311
Skills Intervention	338	400
FE Programme	14	10
Worldskills Comp	44	0
Ignite your Skills	35	0
Vulnerable Persons Resettlement Scheme (VPRS)	48	0
Ukrainian Scheme	44	0
<b>Balance at 31 July</b>	<b>920</b>	<b>3,767</b>

<b>Reconciliation of amount transferred to reserves and grant in aid</b>	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
Amount transferred to reserves	22,902	13,559
Add back: total comprehensive income for the year	6,846	14,296
<b>Grant in aid received in year</b>	<b>29,748</b>	<b>27,855</b>

## Northern Regional College 2022-23

### Report of the Comptroller and Auditor General to the Northern Ireland Assembly

#### Introduction

1. I am required to audit, certify and report on Northern Regional College's (the College) financial statements in accordance with the Further Education (Northern Ireland) Order 1997. This report highlights matters arising from my audit work of:

- the College's Annual Report and Accounts for the year ended 31 July 2023; and
- the financial information of the College included within the group Annual Report and Accounts of the Department for the Economy (the Department) for the year ended 31 March 2023.

2. I have not qualified my opinions on the College's financial statements, however completion of my audit work was significantly delayed due to matters which I have outlined in this report.

#### Challenges in producing financial information to facilitate group accounts and delay in completing the audit

3. The new requirement for the Department to produce group financial statements for 31 March 2023 and subsequent years has proved a challenge, both for it and the organisations within the group, including the College. The Departmental group is complex, comprising 16 component bodies along with the Core Department itself.

4. Most departments and their sponsored bodies share the same financial year end. However, for the Department for Economy group, the Further Education Colleges have a different year end. As a result, significant additional financial information needed to be produced by the College to facilitate the production and audit of the group financial statements and in a very tight timeframe.

5. This proved challenging for the College and may have contributed to the submission of poor quality information.

6. Whilst I noted issues in my audit of other components' financial information, I had particular concerns with the quality of financial information submitted by Northern Regional College. It contained a considerable number of errors, some of which were of such significance that the impact was material at a group level. Whilst these misstatements have subsequently been

addressed, I identified issues such as a £21 million adjustment to financial liabilities and a £14 million balancing error. Audit queries were generally not addressed by the College on a timely basis, with some taking several weeks, and in some cases, months to be properly addressed. This inevitably caused a delay in completion of the audit of the College's 2022-23 consolidation pack and this in turn had a knock-on delay on the ability to complete my audit of the College's own financial statements for the year ended 31 July 2023. The audit was completed in March 2024. Whilst I understand that the College had resourcing pressures within its finance team, it is unacceptable that there was such a delay in it fulfilling its accountability requirements.

7. The delays encountered on the College audit timetable, prevented me from completing my audit of the group financial statements by 31 October 2023 in line with requirements in the Government Resources and Accounts Act (Northern Ireland) 2001 and delayed the completion of the College's own 2022-23 financial statements beyond the normal 30 November deadline.

### **Conclusion**

8. It is clear that Northern Regional College had underestimated the amount of work and time required to produce financial information that was of an acceptable standard for inclusion in the group financial statements.

9. The College has identified actions to build capacity and capability in its finance team, and worked positively with my team to resolve the issues delaying the completion of the audits of the financial information feeding into the group financial statements and the College's own financial statements. It is imperative that it works with the Department and makes suitable arrangements to ensure that appropriate resources and quality control procedures are in place to allow it to fulfil its accountability obligations and deal with audit requests in a timely and effective manner in the future. I will keep this under review in my audits of the financial statements for 2023-24.



Dorinnia Carville

Date: 21 March 2024

Comptroller and Auditor General

Northern Ireland Audit Office, 106 University Street, BELFAST, BT7 1EU