

WARRINGTON COLLEGIATE

**Financial Statements
For the Year Ended 31 July 2016**

WARRINGTON COLLEGIATE

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WARRINGTON COLLEGIATE

STRATEGIC REPORT

Nature, Objectives and Strategies:

The Members present their report and the audited financial statements for the year ended 31 July 2016.

Legal Status

The Corporation was established under The Further and Higher Education Act 1992 for the purpose of conducting Warrington Collegiate. The College is an exempt charity for the purposes of Part 3 of the Charities Act 2011.

Public Benefit

Warrington Collegiate is an exempt charity under Part 3 of the Charities Act 2011 and is regulated by the Secretary of State for Education as Principal Regulator for all FE Corporations in England. The members of the Governing Body, who are trustees of the charity, are disclosed on pages 12 and 13.

In setting and reviewing the College's strategic objectives, the Governing Body has had due regard for the Charity Commission's guidance on public benefit and particularly upon its supplementary guidance on the advancement of education. The guidance sets out the requirement that all organisations wishing to be recognised as charities must demonstrate, explicitly, that their aims are for the public benefit.

In delivering its vision and mission, the College provides the following identifiable public benefits through the advancement of education:

- High-quality teaching
- Widening participation and tackling social exclusion
- Excellent employment record for students
- Strong student support systems
- Links with employers, industry and commerce.

Vision, Mission, Values, Strategic Aims and Key Priorities

Following consultation with the College Management Team (CMT) and wider staff, the College has refreshed its Vision, Mission and Values and has outlined 20 key priorities to be achieved during the period 2015-18, linked to two strategic aims as follows:

Our Vision

To become bigger, stronger and better for Warrington and Cheshire. Committed to the co-creation of "The Cheshire College" as an effective and strategically significant learning organisation in the Further Education sector, with the Warrington campus as a centre of excellence. Take the lead in shaping the future of the Further Education Sector within the region and become an inspiration to others.

Our Mission

Realising potential; transforming lives.

Our Values

Our core values and conduct will be at the heart of every decision we make.

1. **We put our learners and customers first** - prioritising learners and their learning and progress, delighting our customers
2. **We recognise that people are our greatest asset** – retain and recruit the most talented staff, investing in them to fulfil their potential, creating a wealth of opportunities for personal development and progression, creating a culture of co-prosperity
3. **We pursue excellence in all we do** – a passion for high quality education, training and skills solutions, holding ourselves to the highest possible standards, meeting (and exceeding) targets, making improvements, valuing creativity
4. **We are open to change** – looking forward to the future, anticipating market needs and demands, maintaining a growth mind-set, exploring new routes to partnership, collaboration and growth
5. **We operate ethically and responsibly** - acting with integrity, with high levels of accountability and complete transparency, treating others fairly and with respect

Warrington Collegiate Strategic Aims and Priorities 2016 - 18

Strategic Aim 1: Becoming an outstanding College

- 1 Secure Ofsted and QAA recognition as good or better.
- 2 Increase the pace of improvement in learner responsive provision.
- 3 Increase the pace of improvement in apprenticeship provision, with a particular focus on timely achievement.
- 4 Invest in the learning infrastructure to support new, creative and digital pedagogies (e-learning) and independent learning.
- 5 Invest in resources to support the achievement of English and maths along with comprehensive and fully inclusive literacy and numeracy strategies.
- 6 Work collaboratively with “The Cheshire College” partners to invest in a range of high quality and impactful professional learning opportunities for staff, with a particular focus on excellence in teaching, learning and assessment.
- 7 Manage and plan learning support so that it is fit for purpose and resources are allocated effectively. Meet the needs of learners in need of support, especially high cost needs and vulnerable learners, enabling their achievement.
- 8 Further develop and embed the use of the data dashboard and reporting from ProMonitor and Smart Assessor so that there is routine use of automated, user-friendly, relevant and timely MIS reports that assist with early intervention and support for “at risk” learners.
- 9 Plan assessment for and of learning to secure incremental achievement throughout the year. Use ProMonitor Markbook consistently and accurately to record and monitor learners’ academic progress, achievement and value added in a timely manner.

- 10** Undertake a root and branch review of key college processes to ensure that they are fit for purpose and efficient, prioritising key areas of challenge as follows:
- Marketing, independent advice and guidance ('IAG') and recruitment
 - Planning and delivery of lessons
 - E-learning
 - Learning support
 - Accurate and timely course review, self-assessment and improvement planning
 - Student disciplinary
 - Calendar and holistic planning for the year
 - Curriculum planning; high level and operational planning
 - KPI and target setting
 - Progression and destinations
 - Workplace experience and Supported Internships (for SLDD and FL learners) in-line with the Sainsbury report recommendations
 - Careers advice and guidance in-line with Gatsby benchmarks and areas of focus
 - Enrichment
- 11** Further develop the College learner involvement strategy and engage more effectively with the Student Leadership Team.
- 12** Further develop our work to rapidly improve governance, working with the Chair, Vice Chair, Clerk and the NLG advisor to monitor and measure the practice and impact of governance against the very best in the sector.

Strategic Aim 2: Growing in size and reputation

- 13** Develop and resource a coherent marketing strategy including; digital media, sales, customer relationship and business development activities to raise awareness of the College brand, enhance our reputation and successfully meet funding targets and allocations in core funded and full cost provision.
- 14** Improve productivity and efficiency so that the College can achieve at least satisfactory, leading to good, financial health and meet all recovery plan objectives. Drive the capacity to invest in the college and support further growth opportunities. Realise the financial benefits of "The Cheshire College" as we move forward.
- 15** Develop a distinct curriculum offer for young people (school leavers) in Warrington which will secure growth in all core funded provision and "hubs" in the following areas:
- Academic routes (in collaboration with Warrington Collegiate Education Trust academies)
 - Creative, performing and digital arts
 - Science (and STEM)
 - Sport
 - Foundation Learning, Specialist Learning Development Disabilities and High Cost Needs (around supported internships in particular)

16 Work collaboratively with “The Cheshire College” partners and the University of Chester to develop our curriculum offer – for young people and adults – so that there are carefully mapped progression opportunities onto higher-level qualifications, a “skills pipeline”, co-branded and marketed as such. In particular:

- Remove perceived “low value” vocational provision in favour of technical frameworks, as they become approved and funded, in-line with the Sainsbury report recommendations
- Develop a distinct “higher technical” curriculum offer through the expansion of Access to HE, higher level and graduate apprenticeships and HND/C and/or Foundation Degree programmes

17 Secure capital funding to support curriculum growth (see 15 and 16 above).

18 Develop and implement a Commercial Strategy, stimulating investment from commercial partners and delivering successful, collaborative and lucrative activity, enabling the College to meet growth and income targets.

19 Successfully deliver the Adult and Community Learning (ACL) Strategy “Resilience 2020” ensuring that ACL is characterised by excellent outcomes, progression, high levels of learner satisfaction and value for money.

20 Develop and implement a comprehensive parental engagement strategy that improves communication and enhances our reputation with this key stakeholder group.

CURRENT AND FUTURE DEVELOPMENT AND PERFORMANCE

Student Numbers

In 2015/16 the College has delivered activity that has produced £11,650k in recurrent grant funding from the SFA, EFA and HEFCE (2014/15 - £12,407k). The College had 6,701 funded students, of which 3,061 were subcontracted, and approximately 1,252 non funded students. A further 281 students took out 24 plus study loans and an additional 517 were on HE programmes.

Student Achievements

In 2015/16 the overall Classroom Based Learning success rate was 89.3%, an increase of 3.2% points from 2014/15. 16-18 success rates improved by 5.4% points to 85.3%, 6.9% points above the PGA and 19+ success rates improved by 2.2% points to 93%, 6.6% points above PGA. Employer Responsive success rates were 72.3% for the overall completion of Apprenticeship programmes, an increase of 9.3% from 2014/15.

College Improvement Plan

The College’s Improvement Plan provides detailed actions which are being implemented to achieve the key priorities and over-arching strategic aims, vision and mission. The Improvement Plan is linked with the college self-assessment report, risk register and KPIs. Progress against KPIs is monitored every month at Executive Leadership Team ‘ELT’ monitoring meetings and in all full Board and Board Committee meetings. Progress against the actions in the Improvement Plan is added at the end of every term and monitored at that time.

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Performance Indicators

The College is committed to observing the importance of sector measures and indicators and uses the FE Choices data available on the GOV.UK website which looks at measures such as success rates. The College is required to complete the annual Finance Record for the Skills Funding Agency. The College is assessed by the Skills Funding Agency as having a "Satisfactory" financial health grading. The current rating of Satisfactory is considered an acceptable outcome.

FINANCIAL POSITION

Financial Results

By careful management of its cost base, the College generated a surplus of £187k (2014/15 deficit of £1,008k) before other comprehensive income in the year of £(1,981k) (2014/15 – other comprehensive income of (£610k) with total comprehensive income of £(1,794k), (2014/15 – £(1,618k)). The total comprehensive income is stated after accounting for exceptional redundancy costs of £245k (2014/15 £446k).

The College has accumulated reserves of £(4,197k) and cash balances of £484k including endowments. The College wishes to accumulate reserves and cash balances in order to further strengthen its financial position. The net liabilities position arises due to the defined benefit pension liability for the local government pension scheme of £10,199k (2014/15: £8,012k). If the pension liability was excluded from the balance sheet the accumulated reserves position would be £6,002k positive (2014/15: £5,609k positive).

The College has significant reliance on the SFA, EFA and HEFCE for its principal funding source, largely from recurrent grants. In 2015/16 the SFA and EFA provided 75% of the College's total income.

The College has two subsidiary companies, Company Plus Limited and Warrington Business School Limited which were dormant throughout the year.

Treasury Policies and Objectives

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

The College has a separate treasury management policy in place.

Short term borrowing for temporary revenue purposes is authorised by the Accounting Officer. All other borrowing requires the authorisation of the Corporation and shall comply with the requirements of the Financial Memorandum.

Cash Flows

At £1,003k (2014/15 £844k), operating cash flow from operating activities has improved compared to the previous year due to careful management of creditors.

Liquidity

During the year the College restructured a loan by borrowing an additional £250k to improve its working capital position. It also had an overdraft facility of up to £350k.

The size of the College's total borrowing and its approach to interest rates has been calculated to ensure a reasonable cushion between the total cost of servicing debt and operating cashflow.

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STRATEGIC REPORT

Reserves Policy

The Corporation reviews the reserve levels of the College annually at the year end and as part of its budget planning. This review encompasses the nature of the income and expenditure streams, the need to match income with commitments and the nature of reserves. The aim is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance.

Post-balance Sheet Events

There were no post balance sheet events.

Future Developments

A key priority within the College's Improvement and Development Plan was to focus on the development of curriculum specialisms. During 15/16 planned strategies to grow logistics, passenger transport and enterprise in alignment with both the LEP & 'Warrington Means Business' strategies were postponed in response to FE Commissioner feedback.

Following a review of Further Education provision across Cheshire and Warrington. Warrington Collegiate and Mid Cheshire College have agreed to begin a merger process to create a new FE College for Warrington and Mid Cheshire by August 2017.

The proposal will build on the key strengths of each College, creating a stronger organisation delivering high quality education and skills training for learners and employers. The merger will also create a financially robust College that will be more efficient and effective than the existing separate Colleges and maximise the benefits to learners and make best use of public funding.

Staff and Student Involvement

The College Marketing and Communication strategy highlights the means of communication with staff which the college considers to be effective including a weekly briefing, alongside the cycle of management and team meetings. These are augmented by the Principal's meeting schedule. Staff comments and suggestions are collected through a variety of methods and are used to inform action planning.

Student involvement is facilitated through the Learner Involvement Strategy. Direct feedback is through a system of course representatives, the Student Leadership Team, student focus groups and representation on formal committees by students drawn from course representatives. Student views are actively sought through representative meetings with the Principal, benchmarked surveys, course representative dialogue with course teams and Curriculum Managers.

Taxation

The College is not liable for any Corporation Tax arising from its activities during the year.

RESOURCES

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

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Tangible resources include the main college site, the smaller site at Museum Street and £484k including endowments held in cash at the year-end date.

Financial

The College has £(4.2) million of net liabilities (including £10.2 million pension liability) and bank loans of £5.0 million.

People

The College employs 263 people (expressed as full time equivalents), of whom 182 are teaching staff.

Reputation

The College has a good reputation locally and regionally. Maintaining a quality brand is essential for the College's success at attracting students and external relationships.

PRINCIPAL RISKS AND UNCERTAINTIES

The College continues to work to further develop and embed the system of internal control, including financial, operational and risk management which is designed to protect the College's assets and reputation.

Strategic risks to the College are identified and allocated to a Senior Post holder (Risk Owner) to manage. The risk is assessed as to the severity of likelihood and impact if it was not managed, and assigned a numerical value for each (from 1-5) based on this assessment. Existing controls are identified and considered as to the level they reduce the potential impact of the risk, again with a numerical value assigned to provide the managed risk score. The Risk Owner determines if further controls are needed as required. Detailed guidance on the level of risk considered to be acceptable/unacceptable by the College is set out in the risk management strategy. The Strategic risks are reported to Audit Committee at least termly and are managed through Senior Management meetings.

Outlined below is a description of the principal financial risk factors that may affect the College. Not all the factors are within the College's control and other factors besides those listed below may also adversely affect the College.

1. Government Funding

The College has considerable reliance on continued government funding through the SFA/EFA and HEFCE. In 2015/16, 75% of the College's revenue was from such funding contracts. Given cuts to public funding the Collegiate has identified the need to diversify income sources in the future and this is explicit in the College's Strategic Statement.

2. Tuition fee policy

Ministers have confirmed that the fee assumption remains at 50%. In line with the majority of other colleges, Warrington Collegiate will seek to increase tuition fees in accordance with the fee assumptions. The price elasticity of adult learning for the College is not yet fully understood. The risk for the College is that demand falls off as fees increased. This will impact on the growth strategy of the College.

This risk is mitigated in a number of ways:

- By ensuring the College is rigorous in delivering high quality education and training, thus ensuring value for money for students
- Close monitoring of the demand for courses as prices change

3. Maintain adequate funding of pension liabilities

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The financial statements report the share of the pension scheme deficit on the College's balance sheet in line with the requirements of FRS 102.

STAKEHOLDER RELATIONSHIPS

Warrington Collegiate has a wide range of stakeholders who include: Students, Education sector funding bodies, Staff, local employers (with specific links), Local Authorities, Local Enterprise Partnerships (LEPs), the local community, other FE/HE institutions, Trade unions and professional bodies.

The College recognises the importance of these relationships and engages in regular communication with all partners and stakeholders.

Equal Opportunities and Employment of Disabled Persons

The College's commitment to Equality and Diversity is confirmed through the College mission, values and strategic aims. The College promotes equality and diversity amongst its staff, learners, employers, parents and other stakeholders. It is the aim of the College that all students, staff and stakeholders work together, showing respect for each other and valuing differences. Equality and diversity is promoted through a variety of means including strategic documents, policies and procedures, publications, and special events, and curriculum design and delivery.

The Equality and Diversity Policy demonstrates the College's commitment to ensuring that equality issues are at the heart of its work. Leadership and commitment at all levels of the College are central to the success of the policy and the College works proactively to reinforce the benefits of a diverse student-staff population, enhancing the learning process, the programmes offered and the local and regional impact and reputation of the College.

The College's Equality and Diversity Policy and action plan are published on the College's Internet site.

The College is committed to the Two Ticks Award for supporting workers with disabilities and offering an automatic interview where their skills and experience meet the required criteria. The College automatically sends any vacant posts to the Employment team at Warrington Disability Partnership to enable them to promote the vacancies.

The College works with Access to Work to ensure individual members of staff are able to participate fully in College life, for example buying specialist equipment for a member of lecturing staff. A significant number of staff have also used health and safety funding to secure adapted chairs, foot rests and gel mats to aid long term medical conditions, such as back pain and repetitive strain injury.

The staff induction programme and continuing professional development events ensure effective training for staff and managers with regards their respective roles and responsibilities in terms of equality and diversity.

Disability Statement

The College seeks to achieve the objectives set down in the Equality Act 2010.

- The College rebuild, completed in 2007, was designed under Part M of Building Regulations to ensure full access and meet DDA requirements. A full access audit has been undertaken by external experts based in Warrington Disability Partnership.
- Learning support needs are addressed particularly through the Learner Facilitator Team:

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STRATEGIC REPORT

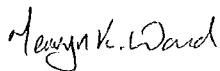
- The Additional Learning Support Manager is notified of any additional support needs during the admissions process and attends interviews when necessary. The ALS Manager provides information and guidance and arranges support in class, at lunchtimes and breaks and for transport.
 - Specialist equipment such as Dictaphones, laptops etc. are available for loan. Readers and scribes are also provided to support in class or during exams and BSL interpreters assist learners with learning impairments. Assistive technology is available in the LRC and in IT rooms.
 - Learning Facilitators are provided to assist all learners to access the full range of curriculum and to help them achieve their full potential. Staff development and specialist training is undertaken to ensure skills and qualifications are kept up to date.
- The Admissions Policy and Procedure including the Appeals Procedure are published on the College Internet site.
 - Specialist programmes are published in the College prospectus and success rates included in College performance reports.
 - Counselling and welfare services are available through Learner Services. Students are made aware of these services through information at interview, on enrolment, on the Internet, Intranet, published materials, induction programme and the Learning mentor system.

If appropriate, risk assessments are undertaken for students with disabilities or medical needs.

Disclosure of Information to Auditors

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.

Approved by order of the members of the Corporation on 16 December 2016 and signed on its behalf by:



Mr M Ward
Chair
16 December 2016

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STRATEGIC REPORT

KEY MANAGEMENT PERSONNEL, BOARD OF GOVERNORS AND PROFESSIONAL ADVISERS

Key Management Personnel

Key management personnel are defined as members of the College Leadership Team and were represented by the following in 2015/16:

Nichola Newton, Principal and CEO, Accounting Officer

Michelle Seeley, Deputy Principal Finance and Resources

Susan Treacy, Deputy Principal Curriculum and Quality

Victoria Harte, Assistant Principal Employer and Commercial Services

Board of Governors

A full list of Governors is given on pages 12-13 of these financial statements.

Laura Dale has acted as Clerk to the Corporation since 30 May 2016.

Frank Hardman acted as Clerk to the Corporation until 30 May 2016.

Principal Place of Business

Warrington Collegiate, Winwick Road, Warrington, WA2 8QA

Professional Advisors

Financial Statements Auditors and Reporting Accountants

Grant Thornton UK LLP

Chartered Accountants and Statutory Auditor

4 Hardman Square

Spinningfields

Manchester

M3 3EB

Internal Auditors

RSM Risk Assurance Services LLP

3 Hardman Street

Manchester

M3 3HF

Bankers

National Westminster Bank plc

PO Box 14, Sankey Street

Warrington

WA1 1XH

Barclays

1st Floor, 3 Hardman Street

Spinningfields

Manchester

M3 3HF

Solicitors

DWF LLP

1 Scott Place

2 Hardman Street

Manchester

M3 3AA

WARRINGTON COLLEGIATE

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL

The following statement is provided to enable readers of the annual report and accounts of the College to obtain a better understanding of its governance and legal structure. This statement covers the period from 1 August 2015 To 31 July 2016 and up to the date of approval of the annual report and financial statements.

The College endeavours to conduct its business:

- i. in accordance with the seven principles identified by the Committee on Standards in Public Life (selflessness, integrity, objectivity, accountability, openness, honesty and leadership)
- ii. in full accordance with the guidance to colleges from the Association of Colleges in The English Colleges' Foundation Code of Governance ("the Foundation Code"); and
- iii. having due regard to the UK Corporate Governance Code ("the Code") insofar as it is applicable to the further education sector.

The College is committed to exhibiting best practice in all aspects of corporate governance and in particular the College/Board has adopted and complied with the Code. We have not adopted and therefore do not apply the UK Corporate Governance Code. However, we have reported on our Corporate Governance arrangements by drawing upon best practice available, including those aspects of the UK Corporate Governance Code we consider to be relevant to the further education sector and best practice.

In the opinion of Governors, the College complies with all the provisions of the Code, and it has complied throughout the year ended 31 July 2016. The Governing Body recognises that, as a body entrusted with both public and private funds, it has a particular duty to observe the highest standards of corporate governance at all times. In carrying out its responsibilities, it takes full account of The Code of Good Governance for English Colleges issued by the Association of Colleges in March 2015, which it formally adopted in October 2015.

The College is an exempt charity within the meaning of Part 3 of the Charities Act 2011. The Governors, who are also the Trustees for the purposes of the Charities Act 2011, confirm that they have had due regard for the Charity Commission's guidance on public benefit and that the required statements appear elsewhere in these financial statements.

THE CORPORATION

The members who served the Corporation during the year and up to the date of signature of this report were as listed in the table below:

Name	Date of Appointment	Term of Office	Date of Resignation	Status of Appointment	Committees Served	Attendance at Corporation Meetings
Mr D Ashton	5 Dec 2007 2 Dec 2009	2 years		Student Member	Standards and Curriculum Search and Governance	44%
	7 Dec 2011 9 Dec 2015	4 years		External Member	Standards and Curriculum Search and Governance	
Mr O Burton	11 Mar 2015	4 years		External Member	Audit Committee	44%
Mr P Fitzhenry	12 Mar 2014	4 years		External Member	Finance, HR and Estates Committee	78%
Mr J Joyce	6 Dec 2006 6 Dec 2010 4 Dec 2014	4 years		External Member	Vice Chairman: Finance, HR and Estates	100%

WARRINGTON COLLEGIATE

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL

Name	Date of Appointment	Term of Office	Date of Resignation	Status of Appointment	Committees Served	Attendance at Corporation Meetings
Ms N Newton	17 Feb 2015	As long as in office		Principal/Chief Executive	Finance, HR and Estates Search and Governance Standards and Curriculum	89%
Mr A Quayyum	5 Dec 2012	4 years		External Member	Finance, HR and Estates (resigned) and became Chairman: Audit Committee	100%
Mr D Shaw	3 July 2013	4 years		External Member	Audit Committee	89%
Ms A Viar	11 Mar 2015	2 years	14 September 2016	Student Governor	Standards and Curriculum	56%
J Pyrah	9 March 2016	2 years		Student Governor	Standards and Curriculum Committee	33%
A Gani-Shaikh	9 March 2016	4 years		External Member	Audit Committee	100%
A McIntosh Scott	9 September 2015	4 years		External Member	Standards and Curriculum Committee	67%
K Phillips	9 December 2015	4 years		External Member	Finance, HR and Estates	86%
B Smith	9 December 2015	4 years		External Member	Standards and Curriculum Committee	67%
M Smith	9 March 2016	4 years		Staff Governor	Standards and Curriculum Committee	67%
J Sumner	19 April 2016	4 years		External Member	Standards and Curriculum Committee	0%
M Ward	9 December 2015	4 years		External Member (Chair)	Senior Staff Salaries; Finance, HR and Estates	100%
M Pearce	12 September 2016	4 years		Staff Governor	Standards and Curriculum Committee	N/A
Miss L Dale	31 May 2016			Clerk to the Corporation	All Committees served	Full Corporation served

It is the Corporation's responsibility to bring independent judgement to bear on issues of strategy, performance, resources and standards of conduct.

The Corporation is provided with regular and timely information on the overall financial performance of the College together with other information such as performance against funding targets, proposed capital expenditure, quality matters and personnel related matters such as health and safety and environmental issues. The Corporation meets each term.

The Corporation conducts its business through a number of committees. Each committee has terms of reference which have been approved by the Corporation. These committees are: Audit, Finance, Human Resources and Estates, Senior Staff Salaries, Search and Governance and Standards and Curriculum.

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STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL

Full minutes of all meetings, except those deemed to be confidential, are available from the Clerk to the Corporation at:

Warrington Collegiate
Winwick Road
Warrington
WA2 8QA

The Clerk to the Corporation maintains a register of financial and personal interests of the Governors. The register is available for inspection at the above address.

All Governors are able to take independent professional advice in furtherance of their duties at the College's expense and have access to the Clerk to the Corporation who is responsible to the Board for ensuring that all applicable procedures and regulations are complied with. The appointment, evaluation and removal of the Clerk are matters for the Corporation as a whole.

Formal agendas, papers and reports are supplied to Governors in a timely manner, prior to Board meetings. Briefings are also provided on an ad-hoc basis.

The Corporation has a strong and independent non-executive element and no individual or group dominates its decision-making process. The Corporation considers that each of its non-executive Members is independent of management and free from any business or other relationship which could materially interfere with the exercise of their independent judgement.

There is a clear division of responsibility in that the roles of the Chair of the Corporation and the Principal of the College are separate.

CORPORATION PERFORMANCE

The Board completed a robust self-assessment review in September 2016 of individual Members' contributions and the performance of the Board as a whole. The self-assessments were further supported by individual governance discussions held between the Chair and each Corporation Member to accurately identify areas of strength and areas for development in governance. The Board's performance was also assessed against the Code of Good Governance in November 2016 and the Board, Clerk and Internal Auditors were satisfied that the Board adhered to the requirements and best practice set out in the Code of Good Governance for English Colleges. A governance action plan is in place to strengthen the Board's performance and is monitored by the Search and Governance Committee.

APPOINTMENTS TO THE CORPORATION

Any new appointments to the Corporation are a matter for the consideration of the Corporation as a whole. The Corporation has a Search and Governance Committee comprising four Members which is responsible for the selection and nomination of any new Member for the Corporation's consideration. The Corporation is responsible for ensuring that appropriate training is provided as required.

Members of the Corporation are appointed for a term of office not exceeding four years.

SENIOR STAFF SALARIES COMMITTEE

Throughout the year ending 31 July 2016, the College's Senior Staff Salaries Committee comprised five Members. The Committee's responsibilities are to make recommendations to the Board on the remuneration and benefits of the Principal and other senior post holders.

Details of remuneration for the year ended 31 July 2016 are set out in note 8 to the financial statements.

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STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL

AUDIT COMMITTEE

The Audit Committee comprises four Members of the Corporation (excluding the Principal and Chair). The Committee operates in accordance with written terms of reference approved by the Corporation with a particular emphasis on risk management.

The Audit Committee meets on a termly basis and provides a forum for reporting by the College's internal, regularity and financial statement auditors who have access to the Committee for independent discussion, without the presence of College management. The Committee also receives and considers reports from the main FE funding bodies as they affect the College's business.

The College's internal auditors monitor the systems of internal control, risk management controls and governance processes in accordance with an agreed plan of input and report their findings to management and the Audit Committee.

Management are responsible for the implementation of agreed audit recommendations and internal audit undertake periodic follow-up reviews to ensure such recommendations have been implemented.

The Audit Committee also advises the Corporation on the appointment of internal, regularity and financial statement auditors and their remuneration for both audit and non-audit work as well as reporting annually to the Corporation.

INTERNAL CONTROL

Scope of Responsibility

The Corporation is ultimately responsible for the College's system of internal control and for reviewing its effectiveness. However such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can provide only reasonable and not absolute assurance against material misstatement or loss.

The Corporation has delegated day-to-day responsibility to the Principal, as Accounting Officer, for maintaining a sound system of internal control that supports the achievement of the College's policies, aims and objectives whilst safeguarding the public funds and assets for which she is personally responsible in accordance with the responsibilities assigned to her in the Financial Memorandum between Warrington Collegiate and the Skills Funding Agency (SFA). She is also responsible for reporting to the Corporation any material weaknesses or breakdowns in internal control.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of College policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised and to manage them efficiently, effectively and economically. The system of internal control has been in place in Warrington Collegiate for the year ended 31 July 2016 and up to the date of approval of the annual report and accounts.

Capacity to Handle Risk

The Corporation has reviewed the key risks to which the college is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Corporation is of the view that there is a formal on-going process for identifying, evaluating and managing the College's significant risks that has been in place for the period ending 31 July