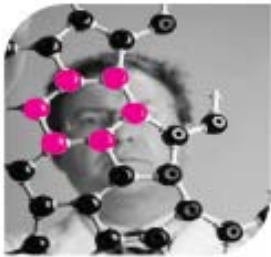


ANNUAL REPORT 2010-2011







Contents	Page No.
Chairman's Foreword	1
Principal and Chief Executive's Introduction	1
Vision	2 - 3
About South Eastern Regional College	3 - 4
Highlights and Successes of 2010/11	5 - 7
Key Performance Measures	8 - 9
Quality	10
Technology/ILT Strategy	10
Student Employability	10
International Links	11
Diversity and Equality	11
Community Development	12
Working with Schools	12
Students' Union	12 - 13
Economic Development	14
Communication with the Public and Industry	15
Investment in Staff	15
Operational and Financial Summary	15 - 17
Corporate Governance including Financial Statements	18 - 28



Chair of the Governing Body - Robson Davison

Having been appointed Chair of the SERC Governing Body by the Minister from the 1st December 2011 it is my pleasant duty to reflect upon a successful year for the College in 2010-11.

The Governing Body is charged with providing strategic leadership to the College and with ensuring that it plays an effective part in the delivery of the Minister's policies and the Executive's Programme for Government. This is a considerable challenge in the current financial and economic climate. At the heart of our strategy, however, remains the provision of high quality education and training to our students and trainees and the development of their skills, whether it is through full-time provision for school leavers, or part-time courses and programmes for employed or unemployed adults, or services to local businesses.

In 2010-11 SERC's financial position was relatively strong, ending the year with a small surplus compared with the original estimated deficit. A number of factors contributed to this including the implementation of efficiency measures and increased income from areas such as Training for Success and Steps to Work. We shall continue, in 2011-12, to pursue financial stability for the benefit of students, trainees and our local businesses and communities.

There has been evidence in 2010-11 of the College's continuing commitment to quality. The Education and Training Inspectorate (ETI) gave a Grade 2 to the Steps to Work provision and Grade 3s to the further education provision and the Training for Success Programme. ETI described strengths in the provision such as responsive leadership and management, good links with local industry in a range of professional and technical areas, and a high level of commitment to continuous improvement and to pastoral care. Of course, the College recognises that the pursuit of quality is a continuing task along with ensuring that our curriculum meets local economic need and the aspirations of individual students.

I would like to pay tribute to the work of the former Chair of the Governing Body, Brian Acheson and thank him, on behalf of the College, for his four years of leadership. I would also thank David Lamb for his work as Acting Chair of the Governing Body from August to December 2011. Thanks are extended to former members of the Governing Body: Norman Bennett, Jack Ferris, Alastair McDowell, Larry O'Neill, Adrienne Peltz and Professor Deirdre Vincent. I am grateful to Samia Ali, Neil Bodger, Mark Graham, Alan Henry, Stephen Pollard and Heather Reid for agreeing to join the Governing Body in 2011. The Governing Body is looking forward to working with the Principal and Chief Executive, Ken Webb, the senior management team, the staff and students, college partners and the wider community to ensure that SERC continues to provide a service of the highest quality in an efficient and effective manner.



Principal and Chief Executive - Ken Webb

SERC's performance over 2009-10 was outstanding with developments in areas such as quality assurance, the use of ILT, cultural diversity, business engagement being recognised by ETI as being an exemplar of best practice in the sector.

In 2009-10 SERC was as innovative as ever. Our investment in ILT was shown through the introduction of new online learning modules for staff, an online student induction and the use of ILT mentors to embed IT in the learning experience. This led to SERC winning the BECTA NEXT Generation Learning Award for outstanding delivery of learning through ILT.

The quality of the learning environment was greatly improved with new world class campuses in Newtownards and Lisburn. These new premises provided access for students and staff to specialised industry standard equipment.

We have devoted considerable effort in developing our partnerships with local organisations. For instance we are now represented as a major partner in 5 area learning communities (an

increase from 4) and increased partnerships with local schools from 36 to 43. Over 1,000 chose SERC as their training and development partner which led to our business engagement model was identified as outstanding by ETI during the inspection of Priority Skills level 3 programmes.

Without the hard work and dedication of our students, staff and partners we would not have achieved to the level that we did in 2009-10. On behalf of the College Management Team I would extend our thanks to all who have been part of the SERC team over the last year. I would encourage everyone in the community to work with us and make SERC, your local community college, an even more successful one in 2010-11.



The College has a very strong vision and sense of direction in its drive to serve its local communities.

In order to realise the vision and goals the College has developed a ‘Culture of Excellence’ which embodies:

- › Excellence in teaching and learning;
- › Excellence in the learning environment; and
- › Excellence through a process of continuous improvement.

Further information on these elements are provided in the remainder of this document.

Vision	Our overarching ambition is that by 2020 SERC will be recognised as a world-class global college.
Mission	Our mission is to shape our community by promoting an inspirational, innovative and inclusive learning environment, which will empower and enable individuals and businesses to fulfil their ambitions as well as contribute to the future prosperity of Northern Ireland.
Strategic Goals (See Fig.1)	<ol style="list-style-type: none"> 1. To be acknowledged as a College with an outstanding reputation for; <ol style="list-style-type: none"> a) INSPIRING, TRANSFORMING & ENRICHING lives by overcoming Educational disadvantage b) To become a Hub for developing Scientific and Technological capabilities of the region; c) Professionalising the workforce; d) Nurturing innovation, enterprise and entrepreneurship; e) Supporting and developing careers; 2. To develop the Culture of Excellence; 3. To position the College as a gateway for international partnerships; 4. To be recognised as a College that is leading the way in Corporate Governance; 5. To enhance our reputation with our students, businesses and communities; 6. To substantially increase and diversify our income streams;

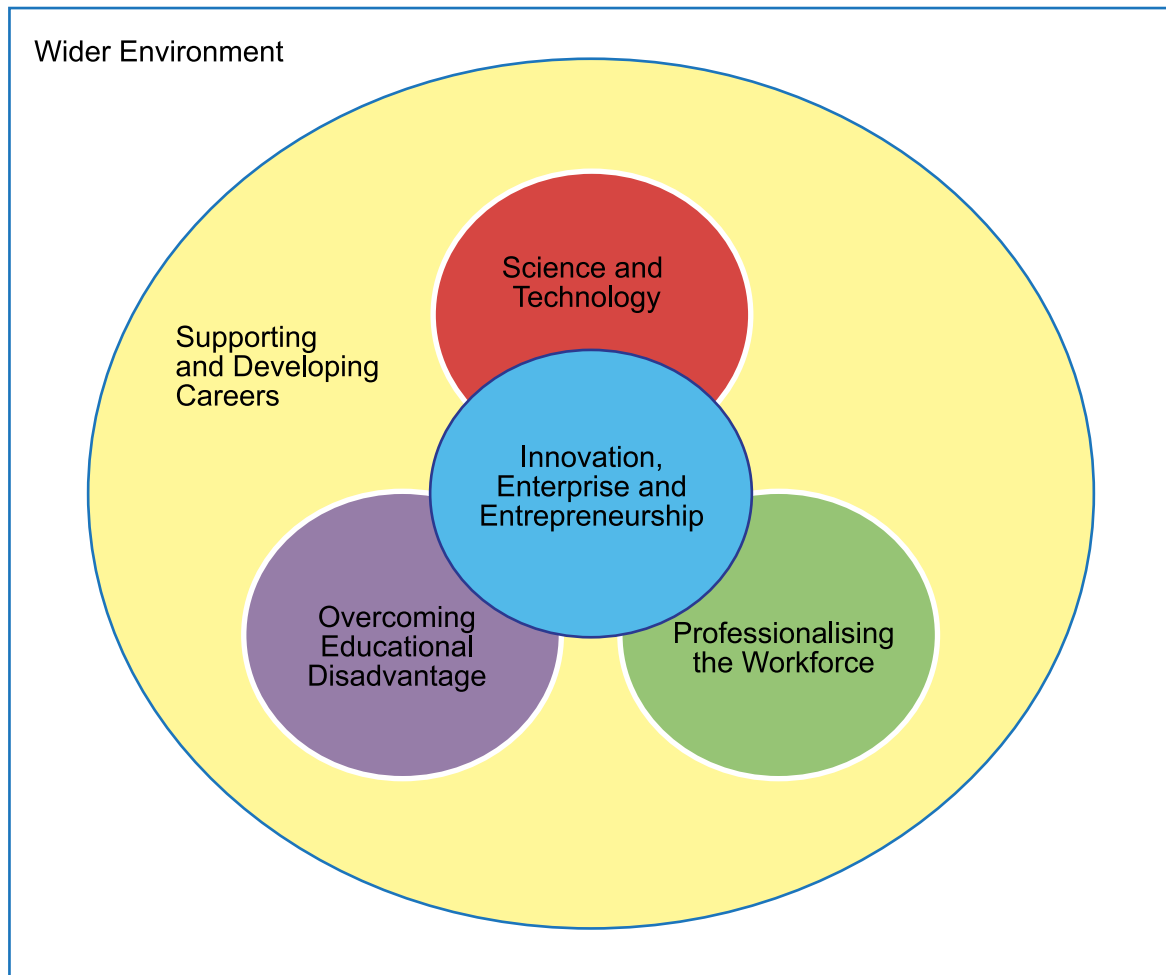


Fig 1. Strategic Goals.

About SERC

A top 20 UK College, SERC has been described as the 'cutting edge' college of the Northern Ireland Further Education sector. With 30,000 annual enrolments and 1,200 staff, SERC is the delivery arm for the government to ensure that the NI economy has the skills to grow, innovate and operate on a global platform. We intend to do this by helping people overcome educational disadvantage, building a hub for scientific and technological capabilities, professionalising the workforce, encouraging innovation, enterprise and entrepreneurship and overall supporting and developing careers.

Our Culture of Excellence is reflected in our investment in world class learning environments with a £67 million outlay in new campuses; the teaching experience has been enhanced including a £2.75 million IT investment and an ethos of continuous improvement driven by pioneering quality enhancement and measurement practices.



Provision is summarised in the tables below:

School Leavers 16 to 18			
Further Education	Apprenticeships	Higher Education	Supported Learning
BTEC Diplomas A Levels NVQs	Programme Led Level 2 Level 3	Degree Foundation Degree Higher National Diploma	Skills for Work Skills for Your Life Jobclub

Adult Learners 16 to 90				
Professional and Career Development	Learning for Fun	Fresh Start	Unemployed	Supported Learning
Accredited Programmes Level 2 + Adult Apprenticeships Advice & Guidance	Leisure Courses/ Subjects	Access Courses Essential Skills Entry & Level 1 Courses Advice & Guidance	Steps To Work SERC Job Bootcamp Accredited Programmes Advice & Guidance	Skills For Work Skills For Your Life Jobclub

Business	
New Business	Existing Business
Training Mentoring Incubation	Training Mentoring Product Development Business Improvement Consultancy Adult Apprenticeships Student Placement Lecturers into Industry



HIGHLIGHTS AND SUCCESSES

Inspiring, Enriching and Transforming Lives - 2010/11 has been an astounding year with many success stories for the College and for the individual students and staff members who are committed to providing the very best learning experience.

Working with Industry



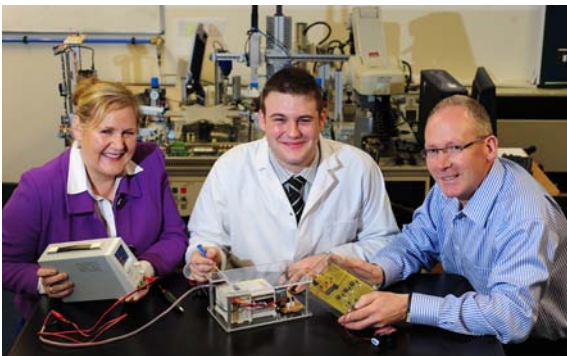
Engineering students Jonny Hamill and Jonathan Owens devised an innovative solution, which has helped Coca-Cola HBC NI enhance their water management practice.

Opening of Lisburn Campus



Employment and Learning Minister Danny Kennedy officially opens the Lisburn Campus in February 2011.

Engineering Excellence



Engineering student Jonathan McEwan who competed in the ISEF (Inter Science and Engineering Fair) World Finals which took place in Los Angeles.

Unite Against Hate



SERC Students' Union has been recognised for its on-going support of the Unite Against Hate Campaign.

Higher Education Graduation Ceremony



Over 1,200 people attended the Higher Education Graduation 2010.

UK Enterprise Leader



The College was awarded with the Outstanding Impact Award 2010 by enterprise watchdog Enterprise UK, for its work promoting entrepreneurship to students.



Apprentice of the Year



Wood Machining Apprentice Luke Hawthorne was crowned Northern Ireland Apprentice of the Year 2011.

Essential Skills Winner



Downpatrick woman Marianne O'Shea beat off stiff competition to be named as Northern Ireland's Essential Skills Learner of the Year.

The Extra Foot



SERC has helped Lisburn business man Harry Connor with the branding of his innovative product The Extra Foot.

Student Company



Enterprising plumbing students who founded Copp Art, a SERC Student Company which makes works of art out of recycled copper.

Commonwealth Bronze



SERC Sport student Sean Downey who won a bronze medal in the team pursuit at the 2010 Commonwealth Games.

International Association of Bookkeepers



The College was recognised by the International Association of Bookkeepers (IAB) as the 'Top College' in the UK for IAB Computerised Payroll qualification.



SkillFRIDGE Winner



Refrigeration student Stuart Millar who took first prize in the UK SkillFRIDGE Competition in Birmingham.

Opening of Environmental Skills Centre



Sir Reg Empey opened the new Environmental Skills Centre at SERCs Newtownards Campus.

Top Marks



A class of 14 computing students from the Downpatrick Campus who achieved triple distinctions, the equivalent to three A's at A Level.

Get Inspired



SERC welcomed Dame Mary Peters to the College to offer advice to budding athletes as part of the London 2012 Inspire Mark.

Positive Future



Dundrum man Paddy McAuley, a former self-employed bricklayer who retrained as a chef when he found himself out of work following the economic downturn.

e-Learning Award



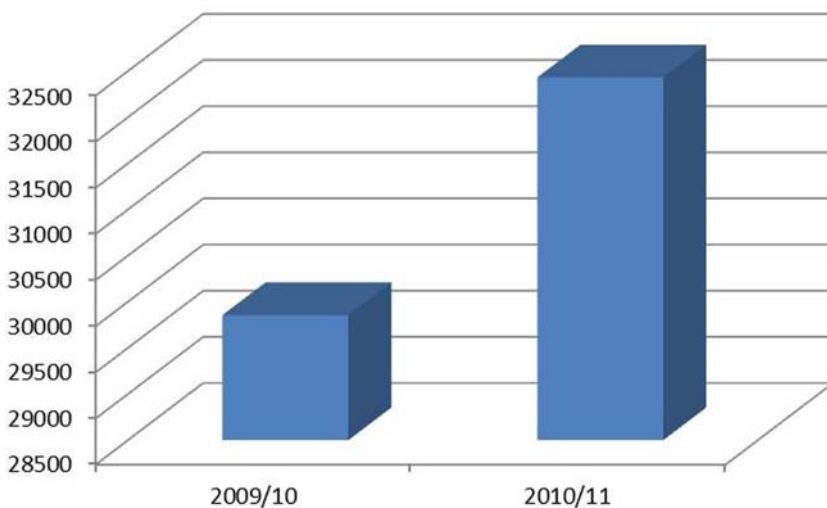
Travel and Tourism lecturer Lisa McGivern was awarded the prestigious Microsoft Prize for e-Learning which recognises the highest performing student in the Msc e-Learning: Interactive Teaching Technologies qualification.



Key Performance Measures

The College produces a Development Plan which is then submitted to the Department for Employment and Learning. This plan details the key performance measures and targets for the college in the year ahead. The following information provides a summary of these targets for 2010/2011:

- › 92% of students retained on Level 0 and Level 1 courses
- › 94% of students retained on Level 2 courses
- › 93% of students retained on Level 3 courses
- › 98% of students retained on Higher Education courses
- › Worked with 830 employers in priority skills sectors
- › 98% employers satisfaction rate with training

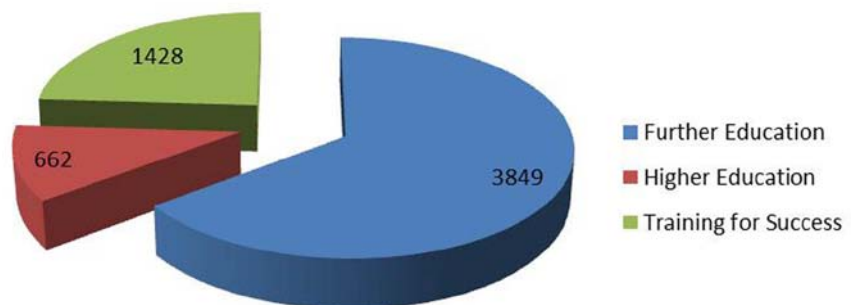


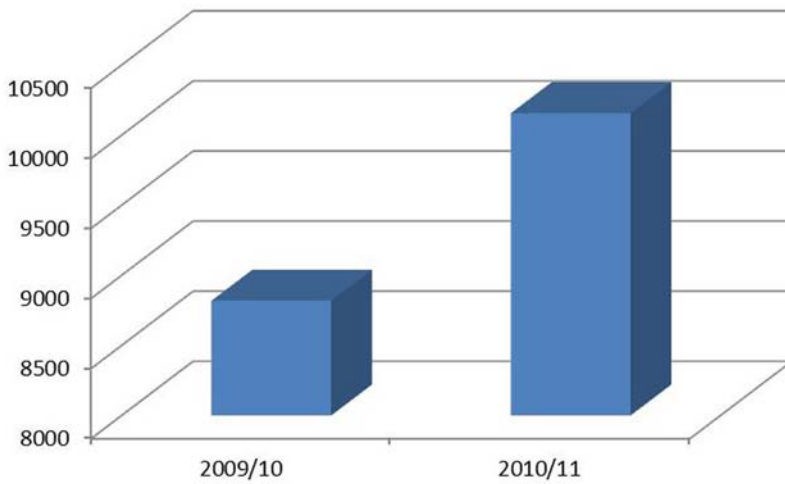
Total Enrolments by Year

In 2010/11 there were 32,432 total enrolments an increase from 29,856 in 2009/10.

Full Time Enrolments Breakdown 2010/11

Full-time enrolments are split between Further Education, Higher Education and the Training for Success Programme.



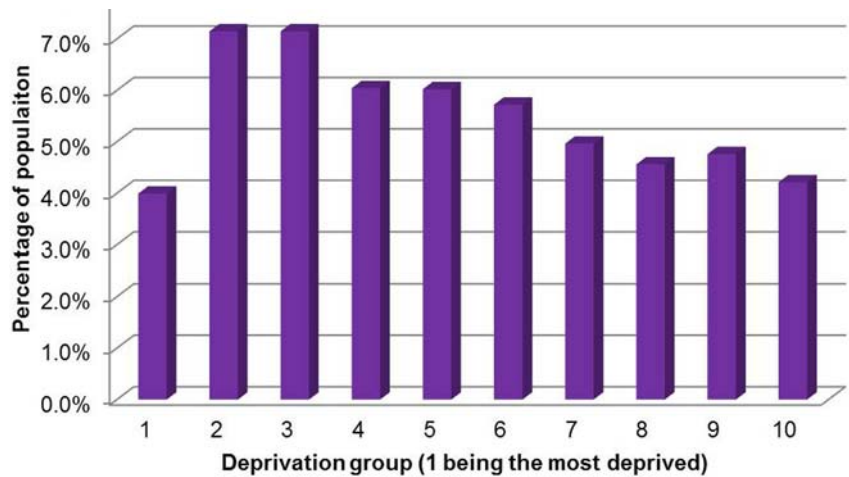


STEM Enrolments by Year

In 2010/11 there were 10,157 STEM enrolments, an increase from 8,819 in 2009/10.

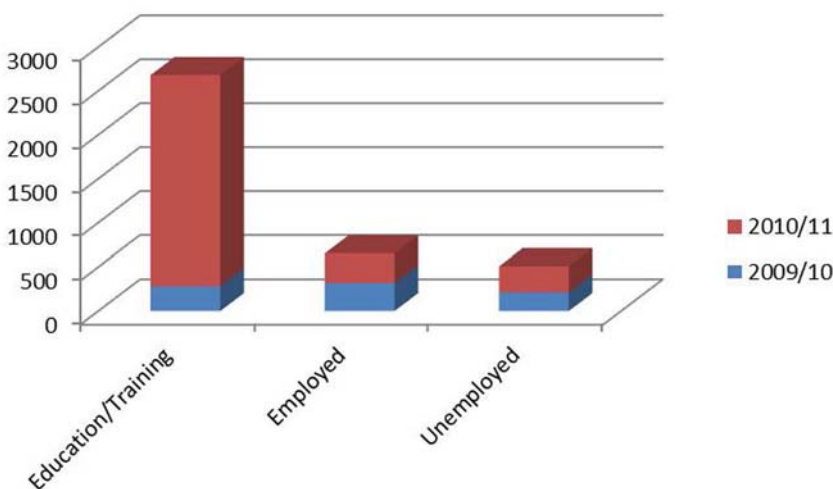
Students by Deprivation

The deprivation of SERC students during 2010/11 living within SERC's hypothetical catchment area.



Destination of SERC Leavers

In 2010/11 the number of SERC leavers who were continuing onto education or training increased to 2,398 compared with 282 in 2009/10.





Quality

The College has a Culture of Excellence which is driven by high quality teaching practices, a quality learning environment and an ethos of continuous improvement. All course teams enrich the curriculum by incorporating a range of visits, guest speakers and associated industry involvement either through the above or by industry based assessment projects. The college supports and encourages student participation in curriculum relevant competitions and awards that provide external recognition of student skills and knowledge.

Since January 2010 over 300 lecturing staff have completed the ILT Pedagogy Mentoring programme that has resulted in a wider range of teaching and learning strategies being used in the classroom, supported and enhanced by appropriate use of ILT.

Quality highlights for 2010/11 were strong inspection reports from QAA for Higher Education and ETI on the whole college inspection of TfS and FE provision to level 3. ETI inspections included over 240 lecturer lesson observations. The analysis of the lesson observations grades showed that 54% of lessons were very good or outstanding, 86% were good or better and 13% were satisfactory.

Technology/ILT Strategy

The College continues to make significant investment in appropriate technology that will enhance, support and manage the learning experience. The college VLE platform is MOODLE and this offers students 24/7 access to course specific learning materials, increased opportunity for independent study and the ability to upload course assessment and receive assessment feedback electronically.

Additional access points have been installed in all campuses to provide students with greater wireless connectivity. The learning resource centres provide students with access to over 3000 digital books and the online digital library consolidates a wealth of electronic material. Students are now able to view their own personal timetable and attendance registers online via the college e-ISLA.

Student Employability/Enterprise

The College has continued to provide a service beyond qualifications, which is designed to help students be job ready. In 2010/11 students worked on a number of real life industry projects with companies including Coca-Cola, Bombardier and Radox. All courses included strong work related elements where students were encouraged to gain work placements as part of their studies.

Through the Advancing Enterprise Programme, the College is committed to providing opportunities for students to experience enterprise and develop enterprise and employability skills, through encouraging students to foster and progress business ideas and develop incubation.

The College has a dedicated enterprise team comprising of Enterprise Co-ordinators and seven Enterprise Champions who lead the development of entrepreneurial awareness and activity. These Enterprise Champions are involved with helping students start up SERC Student Companies to help them understand the practical aspects of operating a business and the challenges they may face. In 2010/11 three SERC Student Companies were in operation including CoppArt, the Glass Umbrella and Impressions of Ireland.





International Links

The College successfully participated in five small cooperation projects funded through the EU Lifelong Learning Programme. The Projects involved student and staff exchanges with a variety of partners in the fields of Mult-media, ICT, catering and community development.

The College is part of the Business Education Initiative which gives full time Higher Education students the opportunity to study in America for one year. In 2010/11 five students participated on this programme.

We successfully secured and maintained a Highly Trusted Sponsor Licence from the UK Border Agency which enabled the College to recruit students from outside the EU through a Tier 4 licence. The number of international students has now grown to 43. Recruitment of the students is achieved primarily through established links and from existing student referrals.

An International section on the website was developed to provide useful information for prospective students.

The School of Manufacturing and Electrical Engineering within the College strengthened its link with Toyama National College of Technology in Japan, promoting both economic and social inclusion. Several College staff members visited Japan in November 2010 and continued to develop international technology and engineering knowledge transfer opportunities with Japanese colleges. In August 2011 Japanese exchange students attended SERC and studied on a bespoke engineering programme over a period of four weeks.

Diversity and Equality

The promotion of Equality and Good Relations has remained a priority for the College. This is achieved through training of all new staff, refresher training for existing staff, promotion of equality & diversity among the students, support in the community, regular input from the Equality and Diversity forum and working with other Colleges on joint initiatives impacting the Further Education Sector. The Students Union also continued to actively promote equality and diversity among the student population.

Key developments during 2010/11 included:

- Completing a new generation Equality Scheme reinforcing the College's commitment to Equality and Cultural Diversity across all functional areas.
- The Equality and Diversity Forum meeting regularly to actively promote Equality and Good Relations throughout the College.
- The development and implementation of a new interactive on-line student induction programme.
- Growth of the SERC Students' Union with specific emphasis on equality and diversity events and activities.
- A number of promotional campaigns took place including Unite Against Hate.
- Undertaking a staff survey during the reporting period which included a section on Equality and Diversity. Results of the survey showed a clear understanding and awareness of issues with 74% of staff saying they were satisfied or very satisfied with the Equality and Diversity in the College.



Community Development

The College continued to be active in the community through its delivery of the Learner Access & Engagement (LAE) Programme and through proactively reaching individuals and groups who, for a variety of reasons, would not otherwise attend the College. At the heart of this approach was the core goal of overcoming educational disadvantage.

The LAE programme, focussing on adults who are not in work, who do not hold a qualification at Level 2 or above, who may have barriers to learning, and who intend to re-enter the labour market, exceeded its 400 learner target. Courses were delivered in 14 different community venues along with courses in College centres in Ballyboley, Comber and Holywood with a project income of £150268.

The College widened its participation in the Summer Education Programme through links with the Cedar Foundation and Well 2 Project, where over 40 students with a disability participated in the summer scheme which involved sampling metalwork, horticulture, cookery and art & design courses.

The Community Development Officers have continued their involvement with community groups through membership of local Neighbourhood Renewal Committees. This enhances the image and status of the College in the centre of the community it serves.

Links with School Partners

Working with School partners developed into a mature, effective network of relationships which extends beyond the Entitlement Framework into joint collaboration and sharing.

In 2010/2011, SERC delivered collaborative programmes to 43 schools, building on the excellent relationships established with the Ballynahinch, Lecale, Lisburn and North Down and Ards area learning communities. The enhanced reputation of SERC's schools provision created opportunities to develop new partnerships with five schools in Belfast. The College also made a significant contribution to strategic development and planning for implementation of the Entitlement Framework, through involvement in sub-committees such as curriculum, careers, ILT and pastoral care.

Students Union

The Students' Union at SERC (SERCSU) aims to enhance the academic experience through a variety of cultural, educational, leadership, services, social and recreational programs.

Working closely with outside agencies; government bodies and support services a network of support has been established and events have been held to reinforce important messages to students and providing increased avenues to enhance the learners involvement within the college and the Students' Union. All learners are provided with the opportunity to develop the skills, qualities and competences needed to enable them to progress towards achieving their aspirations in terms of economic activity, professional and personal development. Through SERC's Learner involvement strategy the Students' Union has four main objectives to achieve a positive impact:

1. To fully embed the Students' Union into the learner experience
2. To increase the number of events and activities
3. Empower students by providing them with a voice
4. Challenge attitudes to cultural diversity

Evidence of the Students' Union presence can be seen through the increased student involvement in the Elections; Campaigns; RAG Activities and social events throughout 2010/11. The Students' Union is committed to being relevant for our students and dedicated to nourishing and developing the skills of our officers ensuring they make the most of their time in office.



SERCSU was awarded runner up at the NUS Awards 2010 for the commitment on campus for promoting Equality and Diversity and in February 2011 an UNITE award was presented to SERCSU in appreciation of on going support for the Unite Against Hate Campaign at Stormont Parliament Buildings by Junior Minister Gerry Kelly MLA and UTV's and UAH Ambassador Lynda Bryans.

Furthermore SERCSU has been taken forward to the sector as an area of Best Practice for E&D within the FE Sector of NI from feedback provided from a recent ETI (March 2011) inspection receiving an excellent report on the standard of embedding and development of Cultural Diversity within the college.

South Eastern Regional College Student Governing Body 2010/11

Student Governor

Adrienne Peltz

Campus Presidents

Anna Worthington – Bangor

Austyn Finnegan – Downpatrick

Marty Lundy – Lisburn

Thom Hinds – Newtownards

Welfare Officer

Glen Boreland – Bangor

Entertainments Officers

Teri Louise McCarthy – Downpatrick

Sophie Hunniford – Newtownards

Disabilities Officers

Sarah Louise Long – Bangor

Naomi Campbell – Newtownards

Equality and Diversity Officer

Michael Steele – Bangor

Jalessa Heath – Downpatrick

Amy-Louise Graham – Lisburn

International Officers

Nazmul Istiak – Lisburn

Alexei Cemetchi - Bangor





Economic Development

SERC continues to work with businesses providing training programmes to up-skill and re-skill the workforce and additional services to support research and development activity. SERC has demonstrated this by engaging with 1,173 companies and delivering accredited training courses to over 1,463 employees during 2010/11. Clients included Coca Cola, Bombardier, Kerry Foods and 3M UK.

An ETI inspection carried out in March focusing on Further Education commended the volume and range of links with industry. An example of this was the partnership with Coca Cola where they gained Mechatronic training and assistance with machine maintenance as well as being involved in a project for HND Engineering students.

The SERC Environmental Skills Centre in Newtownards became a pioneering hub not just for training and curriculum development but for major research and development projects alongside other partners such as University of Ulster, Baxi and Kingspan. An incubation unit was established to accommodate AStar a new company which is developing a unique Air Source Heat Pump. These projects are working towards the creation of solutions which will help address the environmental challenges which we all face.

Other Economic Development highlights for 201/11 were securing funding in the areas of innovation and enterprise, open source programming and renewable energies as well as winning four awards, a number of which were at National level. These included the National Training Award, the Outstanding Impact Award and two Sustainable Ireland Awards.

Award Winners

Highlights of the year included winning a National Training Award for developing an innovative Blended Learning Programme to help refrigeration businesses throughout Ireland and being highly commended at the Business in the Community Awards for supporting economic growth.

Business Links

The College strengthened links with local businesses through delivering a number of Marketing clinics for local small businesses located in the Downpatrick, Lisburn and Newtownards areas. The clinics were part of the Cultivate Project which is run in conjunction with the College and is funded by the Department for Employment and Learning.

Bridge to Employment

In September 2010, in response to the economic downturn, the College joined together with GE Energy Services to up-skill fourteen jobseekers as part of the Bridge to Employment training programme. During the four week course, students were trained on electrical industrial panel assembly and wiring. The programme was a huge success and resulted in ten students gaining full time employment with GE Energy Services.

Small to Medium Sized Enterprises (SMEs)

The College continues to develop a specialism in supporting SMEs.

The Extra Foot is an inspired product which enables lorry drivers to check their own brake lights without relying on the help of others. Owner of the Extra Foot, Harry Connor has used SERC to help with all aspects of starting up a new business, including devising a brand identity and creating a logo for the company. The help provided by the College has enabled the product to come alive and it has since gone from strength to strength.



Communication with the Public and Industry

The College has a number of forums and vehicles to support on-going communication with its publics. These include:

The Workforce Development Forum - involves councils, local businesses and the College. The South Eastern Region Workforce Development Forum is an employer-led group that advises on, and makes recommendations to DEL and the College, on matters affecting the demand and supply of skills in the local area.

Business Education Partnerships - involves businesses and the College working together to help provide careers support vehicles for schoolchildren.

Sector Skills Councils - identify the skills needed for a wide range of industries and the College works with the councils to ensure that the curriculum is relevant to industry needs. The College carries out consultation with the public on key issues. Full information is available on the website www.serc.ac.uk

Consultation with Students - SERC Management encourages and welcomes communication with the student body through a number of channels including representation on the Governing Body, Your Voice and The Students' Union.

Investment in Staff

The college continued to invest in staff to ensure that skills and knowledge were maintained and developed through a diverse staff development programme reinforcing the Colleges commitment to on-going professional and personal development. All new staff were provided with mandatory training on appointment as part of the College Induction process. Modules included Child Protection, Health and Safety, Equality and Diversity and SENDO.

In addition to mandatory training, all lecturing staff completed 36 hours professional development funded by the College which was linked to the relevant occupational standards and requirements for the School. In addition the College invested in 51 lecturing staff completing year one and two of the PGCE (FE) as well as continuing to sponsor staff in the completion of professionally recognised qualifications and skills through the Staff Development fund.

College wide training was also carried out for all staff on the new Appraisal Scheme. The implementation of this scheme provided an opportunity for the staff member to meet with their line manager to discuss work performance, achievements, forward plans and training needs for the future.

Staff members nominated by their colleagues, students and general public were recognised through the Staff Achievement scheme during 2010/11 for demonstrating outstanding excellence in their roles. Over 75 staff were recognised for outstanding achievements during the year.

A new Independent Occupational Health provider was appointed during the year 2010/11 to provide occupational health services to College staff. The new provider offers a range of services for staff including long term absence referrals, support and advice and general health checks for staff.

The College continued to invest in Carecall to provide a confidential counselling service for all staff. This includes a 24 hour telephone service, one to one counselling and a referral process. The College views this as an essential service for staff and feedback from staff has been very positive confirming that this continues to be a worthwhile investment. The College also provides a number of enhanced Family Friendly policies including maternity & paternity leave, special leave and flexible working.



The College invests time in listening to staff and addressing staff concerns and suggestions through the 'Have Your Say' forum on the staff Intranet. The forum set up in 2008 continued to develop through the year 2010/11 from an initial query forum to a forum where staff can express opinions, make suggestions and raise queries. The tool has been effective in allowing staff to communicate and time is taken by the appropriate College management or personnel to respond to postings on an individual basis.

The staff express newsletter was issued throughout the year updating staff on key College developments and activities, events, success stories and information on new starts, leavers and general articles of interest.

Finances and Going Concern

The Governing Body is satisfied that the College is a going concern on the basis that it has a reasonable expectation that the College will continue in operation for the foreseeable future. The financial statements are therefore prepared on the going concern basis.

Employment of Disabled Persons

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

Staff and Student Involvement

The College considers good communication with its staff to be very important and regular meetings are held. The College encourages staff and student involvement through membership of the Governing Body.

Charitable and Taxation Status

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

Charitable/Political Donations

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

External Auditors

Comptroller and Auditor General
Northern Ireland Audit Office
106 University Street
Belfast
BT7 1EU

Solicitors

Carson McDowell
Murray House
Murray Street
Belfast
BT1 6DN

Internal Auditors

PricewaterhouseCoopers LLP
Waterfront Plaza
8 Laganbank Road
Belfast
BT1 3LR

Bankers

Bank of Ireland
12 Conway Square
Newtownards
BT23 4DJ



SOUTH EASTERN REGIONAL COLLEGE GOVERNING BODY 2010/11

Chair of Governing Body

Mr Brian Acheson

Members

Mr Russell Andrews

Mr Norman Bennett

Ms Heather Farley

Mr John Ferris

Mr Samuel Gallaher

Mr James Hunt

Mr Edward Jackson

Mr David Lamb

Mrs Linda Martin

Mr Alastair McDowell OBE

Mr Laurence O'Neill

Mrs Beth Porter

Professor Deirdre Vincent

Mr Ken Webb

Miss Adrienne Peltz



CORPORATE GOVERNANCE

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

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

Summary of the College's Structure of Corporate Governance

Governing Body

The College's Governing Body comprises lay and academic persons appointed under the Articles of the College, the majority of whom are non-executive. The role of the Chairman of the Governing Body is separate from the role of the College Principal/ Director as Chief Executive. The Governing Body is responsible for the on-going strategic direction of the College whilst the Executive Officers are responsible for the operational management of the institution. The Governing Body approves all major developments and receives regular reports on the activities of the College. The Governing Body met 7 times during the 2010/11 year and has several committees, including Finance and General Purposes Committee, an Education Committee, a Staffing Committee and an Audit Committee. All of these committees are formally constituted with terms of reference and comprise mainly lay members of the Governing Body.

Full minutes of governing body meetings are available from the secretary of the governing body. The secretary to the governing body maintains a register of financial and personal interests of the governing body members and this is also available for inspection. Formal agendas, papers and reports are supplied to the governing body members in a timely manner.

Audit Committee

The Audit Committee operates as an advisory body to the College's Governing Body and the Accounting Officer. The Audit Committee is responsible for reviewing the effectiveness of the College's accounting procedures and systems of internal control. It also must satisfy itself that adequate arrangements are in place to promote economy, efficiency and effectiveness. The Committee met 5 times during the 2010/11 year to discuss reports from the External and Internal Auditors and the relevant responses. It also receives and considers reports from the Department for Employment and Learning. 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 Committee as necessary, they are not members of the Committee. The Committee can meet with auditors on their own for independent discussions.

Finance and General Purposes Committee

The Finance and General Purposes Committee inter alia supervises all matters relating to the finance and accounts of the College, the investment of its funds, the receipt of its income and the expenditure thereof, the management of trust funds and the approval of policies. The Committee also advises the Governing Body on the raising and guaranteeing of loans. It is the duty of the Finance Committee to present a report to each meeting of the Governing Body. The Committee met 5 times during the 2010/11 year.

Education Committee

The Education Committee is responsible for overseeing College curricular provision, especially the nature, quality and performance of the provision and the extent to which it meets the needs of the community that the College seeks to serve. The Committee met 8 times during the 2010/11 year.



Staffing Committee

The Staffing Committee is responsible for carrying out procedures in relation to the recruitment, appointment, promotion and grading of all staff. It ensures that all procedures, and their application, in relation to recruitment, appointment, promotion and remuneration of staff comply with industrial relations and equal opportunity legislation. The Committee met 4 times during the 2010/11 year.

A handwritten signature in black ink, appearing to read 'A. Wilson', written over a horizontal line.

Accounting Officer

A handwritten date '29/11/11' in black ink, written over a horizontal line.

Date



RESPONSIBILITIES OF THE GOVERNING BODY FOR THE YEAR ENDED 31 JULY 2011

The Governing Body of the College is required to present audited financial statements for each financial year.

Within the terms and conditions of the Financial Memorandum agreed between the Department for Employment and Learning (the Department) and the Governing Body of the College, the Governing Body through its Chairman, is required to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the College and the result for that year.

In preparing the financial statements the Governing Body is required to:

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

The Governing Body is also required to prepare an Annual 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 Governing Body is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the College and enable it to ensure that the financial statements are prepared in accordance with the relevant legislation and other relevant accounting standards. It has general responsibility for taking such steps that are reasonably open to it to safeguard assets of the College and to prevent and detect fraud and other irregularities.

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.

The Governing Body is responsible for ensuring that funds from the Department are used only in accordance with the Financial Memorandum agreed with the Department and other conditions which the Department may from time to time prescribe.

The Governing Body must ensure that there are appropriate financial and management controls in place sufficient to safeguard public funds and ensure that they are used only in accordance with the conditions under which they have been made available.

In addition, the Governing Body is responsible for securing the economic, efficient and effective management of the College's resources and expenditure, so that the benefits that should be derived from the application of public funds by the Department are not put at risk.

Approved by order of the Governing Body members on 29 November 2011 and signed on its

David Lamb
Acting Chairman



THE CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE NORTHERN IRELAND ASSEMBLY

I certify that I have audited the financial statements of the South East Regional College for the year ended 31st July 2011 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. These comprise the Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement, the Statement of Historical Surpluses and Deficits, Statement of Total Recognised Gains and Losses and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration Report that is described in that report as having been audited.

Respective Responsibilities of the Governing Body and Auditor

As explained more fully in the Statement of Responsibilities of the Governing Body, the Governing Body is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

My responsibility is to audit 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. I conducted my audit in accordance with International Standards on Auditing (UK and Ireland). Those standards require me and my staff to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the South Eastern Regional College's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the South Eastern Regional College; and the overall presentation of the financial statements. In addition I read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my certificate.

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

Opinion on Regularity

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

Opinion on financial statements

In my opinion:

- The financial statements give a true and fair view of the state of the South Eastern Regional College's affairs as at 31 July 2011, and of its deficit, cash flows and total recognised gains and losses for the year then ended; and
- The financial statements have been properly 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 Department for Employment and Learning directions made thereunder.



Opinion on other matters

In my opinion:

- the part of the Remuneration report to be audited has been properly prepared in accordance with Department for Employment and Learning directions issued under by 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 Finance and Operating Review for the financial year for which the financial statements are prepared is 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 part of the Remuneration 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 on Internal Control does not reflect compliance with Department of Finance and Personnel's guidance.

Report

I have no observations to make on these financial statements.

KJ Donnelly
Comptroller and Auditor General
Northern Ireland Audit Office
106 University Street
Belfast
BT7 1EU

30 November 2011



ACCOUNTING OFFICER'S REPORT TO THE GOVERNING BODY FOR THE YEAR ENDED 31 JULY 2011

STATEMENT ON INTERNAL CONTROL

Scope of responsibility

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

The system of internal control is designed to manage rather than eliminate the risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness.

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 nature and extent 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 South Eastern Regional College for the year ended 31 July 2011 and up to the date of approval of the annual report and accords with DFP guidance. I have fully embedded the processes which the Department for Employment and Learning has agreed should be established and confirmed their robustness.

Capacity to handle risk

Appropriate procedures have been carried out to ensure that the College's objectives and risks have been identified and that a control strategy for each of the significant risks has been determined. As a result, risk ownership is allocated to the appropriate staff and the College has set out its attitude to risk to the achievement of the College objectives. Staff are trained and equipped to manage risk in a way appropriate to their level of authority and duties.

The risk and control framework

The Governing Body has instructed that procedures are in place for verifying that aspects of risk management and internal control are regularly reviewed and reported on.

There has been a full risk and control assessment before reporting on the year ending 31 July 2011 with all budget holders throughout the College assessing their own departments and submitting a Departmental Statement of Internal Control to the Accounting Officer.

Risk management has been incorporated fully into the corporate planning and decision making processes of the College:

- The College has a Risk Management Team which meets regularly to review and update the register of corporate risks facing the organisation.
- The College operates a formal system of Integrated Monthly Performance Review meetings at which budget holders report to the Senior Management Team outlining their department's financial performance against plan and target and reviewing other quantitative and qualitative key performance indicators. A key element of these monthly performance review meetings is the presentation of each department's operational risk register and a review of the steps being taken to ensure appropriate internal controls are maintained and to mitigate identified risks. A register of collated operational risks is maintained by the Finance Department and is reviewed by the Risk Management Team to identify any which should be escalated to the corporate risk register.



- The College also holds regular management meetings to review enrolments, retentions and achievements and to review and assess quality.
- A fundamental aspect of the College's control framework is the continual development of policies and standard operating procedures. Key policies and procedures are identified as mandatory training for all staff. Completion of such online training is monitored by College management.

The Governing Body has received periodic reports concerning internal control. The appropriate steps have been taken to manage risks in significant areas of responsibility and progress on key projects has been monitored.

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

The Head of Internal Audit has issued an Assurance Statement to me which provides his/her opinion on the adequacy and effectiveness of the internal control system and the extent to which it can be relied upon. On the basis of the audit work performed during the year, the internal auditor was able to provide Satisfactory Overall Assurance in relation to the adequacy of the systems of control in place within the organisation and their operation throughout the period under review.

Review of effectiveness

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors and the executive managers within the College who have responsibility for the development and maintenance of the internal control framework, and comments made by the external auditors in their management letter and other reports. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Board and the Audit Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Area reviewed	Section	Assurance rating
Budgetary Control and Financial Reporting (including Procurement)	Financial Reporting and Budgetary Control Procurement	Substantial Satisfactory
Payroll Operations across the College		Satisfactory
Arrangements for the Management of Reputational Risk across the College		Substantial
Corporate and Financial Planning		Substantial

Significant internal control problems

Prior Year Issues

All recommendations relating to prior year issues have been fully implemented.

Current Year Issues

All reports relating to the College's operational systems resulted in an assurance rating of either satisfactory or substantial. There are no Priority 1 issues highlighted in Internal Audit reviews.

Accounting Officer

Date



**SOUTH EASTERN REGIONAL COLLEGE
INCOME AND EXPENDITURE ACCOUNT
Year Ended 31 July 2011**

	2011	2010
	£'000	£'000
INCOME		
Department for Employment and Learning Grants	31,455	27,944
Education contracts	9,525	8,198
Tuition fees and charges	2,137	2,053
Other grant income	740	783
Other operating income	930	727
Investment income	111	106
	<hr/>	<hr/>
Total income	44,898	39,811
EXPENDITURE		
Staff costs	26,006	25,107
Other operating expenses	16,362	13,042
Depreciation	2,182	2,208
	<hr/>	<hr/>
Total expenditure before exceptional items	44,550	40,357
Surplus/(deficit) on continuing operations after depreciation of assets at valuation and before tax and before exceptional items	348	(546)
EXCEPTIONAL ITEMS		
Exceptional costs (staff)	1,046	10
Exceptional costs (non-staff)	29	35
	<hr/>	<hr/>
Deficit on continuing operations after depreciation of assets at valuation and before tax	(727)	(591)
(Loss) on disposal of assets	(257)	-
Deficit on continuing operations after depreciation of assets at valuation and disposal of assets but before tax	(984)	-
Taxation	-	-
	<hr/>	<hr/>
Deficit on continuing operations after depreciation of assets at valuation and tax	(984)	(591)



**SOUTH EASTERN REGIONAL COLLEGE
STATEMENT OF HISTORICAL COST SURPLUSES AND DEFICITS
YEAR ENDED 31 July 2011**

	2011	2010
	£'000	£'000
Deficit on continuing operations after depreciation of assets at valuation and tax	(984)	(591)
Difference between historical cost depreciation and the actual charge for the year calculated on the revalued amount	<u>1,109</u>	<u>1,546</u>
Historical cost surplus for the year	<u>125</u>	<u>955</u>



**SOUTH EASTERN REGIONAL COLLEGE
BALANCE SHEET
Year Ended 31 July 2011**

	2011	2010
	£'000	£'000
Fixed assets		
Tangible assets	<u>99,889</u>	<u>78,816</u>
Total fixed assets	<u>99,889</u>	<u>78,816</u>
Current assets		
Debtors	3,185	2,927
Cash at bank and in hand	<u>4,461</u>	<u>3,948</u>
Total current assets	7,646	6,875
Less: Creditors - amounts falling due within one year	(3,466)	(3,387)
Less: PPP finance lease creditor - amounts falling due within one year	<u>(981)</u>	<u>(541)</u>
Net current assets	<u>3,199</u>	<u>2,947</u>
Total assets less current liabilities	103,088	81,763
Less: Provision for liabilities and charges	(212)	(212)
Less: PPP finance leases – amounts falling due after more than one year	<u>(60,598)</u>	<u>(37,842)</u>
Net assets excluding pension liability	42,278	43,709
NILGOSC Pension fund creditor	(766)	(7,628)
Net assets including pension liability	<u><u>41,512</u></u>	<u><u>36,081</u></u>



BALANCE SHEET CONTINUED

	2011	2010
	£'000	£'000
Deferred capital grants	11,046	10,621
Reserves		
Revaluation reserve	26,816	29,015
Income and expenditure account excluding pension reserve	4,416	4,073
Pension reserve	<u>(766)</u>	<u>(7,628)</u>
Income and expenditure account including pension reserve	<u>3,650</u>	<u>(3,555)</u>
Total reserves	<u>30,466</u>	<u>25,460</u>
Total funds	<u>41,512</u>	<u>36,081</u>

The financial statements were approved by the Governing Body of South Eastern Regional College on 29 November 2011 and were signed on its behalf on that date by:

A handwritten signature in black ink, appearing to read 'D Lamb'.

Mr D Lamb
Acting Chairman of Governing Body
South Eastern Regional College

A handwritten signature in black ink, appearing to read 'K Webb'.

Mr K Webb
Chief Executive, Principal and Accounting Officer
South Eastern Regional College

BANGOR CAMPUS

3 Castle Park Road
Bangor
BT20 4TD
028 9127 6600

DOWNPATRICK CAMPUS

110 Market Street
Downpatrick
BT30 6LZ
028 4461 5815

LISBURN CAMPUS

39 Castle Street
Lisburn
BT27 4SU
028 9267 7225

NEWTOWNARDS CAMPUS

81 Victoria Avenue
Newtownards
BT23 7ED
028 9127 6800