

PORTSMOUTH COLLEGE

Report and

Financial Statements

for the year ended 31 July 2016

Key Management Personnel, Board of Governors and Professional Advisors

Key management personnel

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

Stephen Frampton, Principal and CEO; Accounting Officer
Simon Barrable, Deputy Principal
Peter Rudd, Deputy Principal Finance, 19+ and New Business Development
Neil McMonagle, Vice Principal College Services and Information
Frances Mullen, Vice Principal Curriculum and Quality

Board of Governors

A full list of Governors is given on pages 10 to 11 of these financial statements.

Mr A McVittie acted as Clerk to the Corporation from 1st August 2015 to 31st December 2015.

Ms K Frost acted as Clerk to the Corporation from her appointment on 4th January 2016 to the end of the period.

Professional advisers

Financial statements auditors and reporting accountants:

RSM UK Audit LLP
Highfield Court
Tollgate
Chandlers Ford
Hants, SO53 3TY

Internal auditors:

Southern Internal Audit Partnership
County Treasurers Dept.
Hampshire county Council
The Castle
Winchester SO23 8UB

Bankers:

Lloyds TSB Corporate
3 Town Quay
Southampton
SO14 2AQ

Solicitors

Paris Smith
1 London Road
Southampton
Hants SO15 2AE

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Operating and Financial Review

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 Portsmouth College. The College is an exempt charity for the purposes of the Charities Act 2011.

The Corporation was incorporated as Portsmouth College.

Mission

The College's mission as approved by its members is:

"Portsmouth College is a friendly, aspirational, enterprising and successful college, committed to the full academic and personal development of its students.

We will provide you with opportunities to thrive and achieve excellent educational outcomes and the best employment prospects in a challenging and supportive learning environment.

We work in close co-operation with our educational partners and other relevant community organisations to help you realise your full potential".

Public Benefit

Portsmouth College is an exempt charity under the Part 3 of the Charities Act 2011 and from 1st September 2013, is regulated by the Secretary of State for Education, as Principal Regulator for all Sixth Form College Corporations in England. The members of the Governing Body, who are trustees of the charity, are disclosed on pages 10 and 11.

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 mission, the College provides the following identifiable public benefits through the advancement of education:

- High-quality teaching
- Widening participation and tackling social exclusion especially within the City of Portsmouth
- Good employment record for students and progression to university
- Strong student support systems
- Innovative curriculum delivery including employability skills
- Fruitful links with the local authority, local schools, employers, industry and commerce.

Implementation of strategic plan

In 2013 the College produced a Strategic Plan for the period from 2013 – 2016. Annual targets are set by the Corporation each year that are based upon the Strategic Plan core principles and objectives. The Corporation monitors the performance of the College against these plans.

Its main achievements in 2015/16 were:

- Expansion of our unique Curious & Creative Learning project, providing 1:1 tablet use for 16-18 students.
- 16-18 student recruitment exceeded funded numbers by 150, equivalent to nearly 15%.
- Increased number of students progressing to top universities.
- Expanded apprenticeships.
- Value Add for Level 3 Year 2 students increased by 1 grade overall for both A Level and BTEC.
- Highly productive partnerships with the LEA and local partner schools.
- Further £1.012M invested in improvements to the College buildings.

Operating and Financial Review (continued)

The College's key strategic goals for 2015-16 as per the Operational Plan and achievement of those objectives are addressed below:

- Develop curriculum pathways for the 3 A Level model improving outcomes and increasing average set sizes by eliminating small groups – *Achieved: level 3 achievement rates up 3%, pathways were developed and prospective students were interviewed into these pathways enabling higher average set sizes for 2016/17 intake*
- Successfully introduce the new A Level specifications into the College curriculum – *Achieved with AS outcomes improved and all courses have moved to linear specifications for all reformed courses*
- Increase student participation to 50% in Employability, Enterprise and Entrepreneurship activities through curriculum, enrichment and work experience opportunities – *excellent progress towards the challenging target was made during the year especially work experience placements*
- Student attendance overall to be 87% in 2015/16 growing to 90% in 2017/18 – *Partially achieved: with curriculum attendance at 87.2% but other attendance dragging the overall rate below target*
- Complete the Learning Walks cycle of observations ensuring outcomes are improved and that Teaching, Learning and Assessment in all departmental areas are 'Good' or better – *Learning walks cycle completed but small number of areas require improvement before reaching 'Good'*
- Continue to develop Apple learning strategy across the College including embedding e-learning – *Achieved – the College has moved over to having Learning Champions who are using the Apple technology via the Teaching and Learning Communities*
- 16-18 A Level Achievement (previously known as Success) rate to be 95.5% & Level 3 Diploma Achievement (previously known as Success) rate 92.5% - *A level achievement rates improved to 93.7% but level 3 Diploma achievement declined due to a poor performing curriculum area*
- Apprenticeship timely success rates to be above 65% - *Achieved: timely success rates at 67%*
- Regular & timely student voice capture with clear reported results – *progress made but further work required, new plan in place for 2016/17.*

Financial objectives and Performance Indicators

- Surplus for the year to be achieved annually as a minimum. The charge of interest on the pension deficit may also be ignored - £60,000 (i.e. added back in to the historic cost forecast)
 - *Not achieved – significant deficit due to lagged funding (lack of in-year funding of growth)*
- All 16-18, 19+ and Apprenticeship Funding and Student Numbers targets to be met or exceeded annually
 - *Partially Achieved - 16-18 and apprenticeship grants exceeded but £50,000 shortfall on SFA ASB delivery.*
- Maintain EFA financial health rating at 'Good'
 - *Not achieved - .marginal 'Satisfactory' rating at best*
- Maintain staff costs to be maintained at or below 69% or less of total income
 - *Achieved - Staff costs as percentage of total income was 68.9% (excluding pension adjustments and restructuring costs), again impact of lagged funding significant*
- Cash days in hand to be at or above 30 days (approximately £550,000)
 - *Achieved – 30.35 days on 31 July 2016*
- Current ratio of at least 1:1.12 to be maintained
 - *Not achieved – 1:0.64 on 31 July 2016, deficit due to lagged funding and spend on capital improvements*
- Net cash inflow from operating activities greater than 1% of total income
 - *Not achieved – deficit due to lagged funding main reason*
- General Reserves (excluding pension reserve/deficit) of at least 30% of total income to be maintained (approximately £2M)
 - *Achieved – General Reserves £2.417M (excluding pension deficit) equal to 33.8% of total income*
- Loans to be maintained at or less than 20% of total income
 - *Achieved – loans were 16.37% of total income on 31 July 2016*

Operating and Financial Review (continued)

FINANCIAL POSITION

Financial Results

The College posted a deficit of £480,000 in the year-ended 31 July 2016 (2014/15 deficit of £73,000 – an Operating Surplus of £15,000 was reported last year prior to the transition to FRS 102). A charge of £110,000 (2014/15 £10,000) was made, in respect of Local Government Pension adjustments, to the Statement of Comprehensive Income.

The significant deficit was largely as a consequence of having 150 unfunded in-year additional students due to the EFA lagged funding methodology that if funded would have generated in the region of £700,000. The governing body took the strategic decision to recruit the additional staff required to maintain quality when the student body was expected to rise by 15%. It had been hoped that in-year funding might be receivable however the decision to use reserves to cover the expected deficit was taken as it was recognised that long term financial sustainability and resilience could only be achieved if growth in 16-18 was achieved. The growth has allowed greater efficiencies to be achieved with significantly higher average set sizes delivering the governors' plan.

The College invested £1.012M in buildings firstly completing the Education Funding Agency (EFA)/ SALEX match funded Condition Improvement Fund projects that focused on health and safety and efficiency. Both Projects were largely completed by end of October 2015. In addition the College completed the construction of a new build SLDD Lifeskills Centre that was funded wholly by the EFA and Portsmouth City Council. This new facility is providing much needed specialist provision to the local community of Portsmouth and south Hampshire.

Net Assets excluding pension liabilities have decreased by £370,000 in the year to £4,745,000 from £5,115,000 at 31 July 2015. The local government pension scheme liability has increased by £730,000 (2014/15 increase £200,000) mainly due to actuarial adjustments.

The College has significant reliance on the government Funding Bodies, EFA and SFA for its principal funding source, largely from recurrent grants. In 2015/16 the Funding Bodies provided 87.1% (2014/15 88.6%) of the College's total income.

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 treasury management policy in place included within Financial Regulation 7, Banking Arrangements, Investments and Borrowing. Short term borrowing for temporary revenue purposes is authorised by the Accounting Officer (Principal). Such arrangements are restricted by limits in the Financial Memorandum agreed with the EFA. All other borrowing requires the authorisation of the Corporation and shall comply with the requirements of the Financial Memorandum.

Cash flows

Cash outflow from operating activities amounted to £480,000 (2014/15 outflow £73,000). In the year cash decreased by £1,360,000 (2014/15 increase £252,000) largely due to spending capital grant funding held in advance, reserves being invested in match funded capital improvements and the deficit for the year.

Liquidity

£79,000 was paid off existing debt during the year. No new loans were taken out during the year.

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. Due to the exceptional nature of 2015/16, in that a large deficit was posted, this cushion was not apparent however the College's ability to service its loan repayments and interest charges will be restored in the years 2016/17 and 2017/18 based upon the latest forecasts.

Operating and Financial Review (continued)

Reserves

The College has no formal Reserves Policy, but the Corporation recognises the importance of reserves in underpinning the financial stability of the College for the benefit of all stakeholders. The level to be held is set to allow the College to fully meet its obligations at times of financial hardship which would include having funds for staff restructuring. The absolute level of reserves held may vary due to the need to respond to demands placed on the College when it needs to maintain high quality education to the College beneficiaries. The longer term strategic benefits may need to take precedence over absolute reserve level targets if through the investment of these reserves future financial health can be assured. It is important that reserves are not built up without purpose as priority must be given to ensuring that adequate resources are provided for the College's core business. The College currently holds no restricted reserves. As at the balance sheet date, the Income and Expenditure account reserve (before pension deficit) stands at £2.417M (2015: £2.728M). The cash and cash equivalents held by the College are more crucial when considering the ability of the College to respond to financial hardship, at the balance sheet date Cash and cash equivalents were £584,000 (2015 £1.944M). It is the Corporation's intention to increase reserves over the life of the new Strategic Plan by the generation of annual operating surpluses; it is expected that there will not be significant student growth over the next few years so income levels will closely match students being educated.

CURRENT AND FUTURE DEVELOPMENT AND PERFORMANCE

Student Numbers

The college ended the 2015/16 year having exceeded the EFA 16-18 student number target by 152 learners, a total of 1268. The programme funding contract for 2015/16 provided a total of £4.736M. The College has provided for clawback of Skills Funding Agency ASB funding to the value of £50,000 out of a contract for £739,285, the predicted shortfall on delivery of the contract with the SFA. Apprenticeship funding generated totalled £354,054 of which £251,891 related to 16-18 apprenticeships.

Student Achievements

The final achievement rate at 'A' level for full-time students in 2015/16 was 95.5%, (2014/15 93.6%). The overall achievement rate for Level 3 Diplomas was a disappointing 88.8% following poor results in one curriculum area; corrective action has been taken that will improve the area in future years (2014/15 91.8%).

Curriculum Developments

The key development in the curriculum is the move to the new specification of A level where courses only have a single end assessment requiring a change in teaching techniques to maintain achievement levels. The E4 programme of enrichment and work experience started in September 2015 and was very successful delivering over 280 work placements and having 215 students attend employability and enterprise programmes.

Apprenticeships continue to grow including new employment areas of Supporting Teaching and Learning, Leadership and Management and Accountancy. The College is committed to providing residents and employers in Portsmouth access to the Apprenticeship frameworks they need for their chosen careers and for their businesses to flourish respectively.

Payment Performance

The Late Payment of Commercial Debts (Interest) Act 1998, which came into force on 1 November 1998, requires colleges, in the absence of agreement to the contrary, to make payments to suppliers within 30 days of either the provision of goods or services or the date on which the invoice was received. The target set by the Treasury for payment to suppliers within 30 days is 95%. During the accounting period 1 August 2015 to 31 July 2016, the College paid 78% (71% in 2014/15) of its invoices within 30 days of the date of invoice. The College incurred no interest charges in respect of late payment for this period.

Operating and Financial Review (continued)

Post-balance Sheet Events

There have been no significant post balance sheet events.

Future prospects

The College continues to grow through developing its reputation as Portsmouth's main post 16 academic provider. 16-18 student enrolments have increased by a further 100 allowing the College to increase average set sizes, becoming more efficient. The future looks positive for the College as growth has been achieved despite reductions in the numbers of school leavers in the City of Portsmouth. The College will look to further expand once the number of school leavers rise again in two years' time.

Planned Maintenance Programme and Resources

The majority of the pre-1990s estate has been fully refurbished over the last 8 years with new electrics, fire and security alarms, boilers, flooring, fire doors, windows, toilets, decoration and insulated render to modernise the exterior. The impact on the College has been significant with the aesthetic improvements being matched by the removal of health and safety concerns and urgent maintenance needs. Recent roof surveys have indicated only minor works need to be carried out in most areas, some of the remaining flat roofs are aging and may need replacing over the next 5 years.

Surveys are planned for the 1990s block covering roofing and plant and electrics. A Condition Improvement Fund application will be submitted based upon the outcome of these reviews.

Staff and Student Involvement

The College considers good communication with its staff to be very important and to this end publishes weekly newsletters, one for staff and one for the student audience. The College encourages staff and student involvement through membership of a range of formal committees. The College has an active student union the chair of which has regular contact with the Principal and is a member of the Corporation.

Future developments

The College continues to look for ways in which the existing buildings can be improved to provide maximum benefit to students' learning and personal development though significant progress has been made over the last five years.

Options for additional accommodation have been investigated including temporary buildings; however plans are to manage student growth by first maximising student numbers in existing classes prior to acquiring new spaces. Future plans for expansion include looking for grant funding to build a 6 court sports hall on the College site that would allow the conversion of the existing sports hall into a two floor facility with classrooms, lecture theatres and student social space whilst also maintaining the ability to operate as an examination hall.

Taxation

None of the College's activities fall within the scope of corporation tax.

Operating and Financial Review (continued)

RESOURCES

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

Tangible resources are located at the College campus on Tangier Road, Portsmouth.

Financial

The College has £2.335M of Net Assets (after deducting £2.410M of pension defined benefit obligations and £4.109M of deferred income government capital grants). Long term loan debt totals £1.032M.

People

The College employs 145 people (expressed as Full Time Equivalents - FTE) of whom 69 FTE were teaching staff.

Reputation

The College has a good and growing reputation locally and works with many local partners including Portsmouth City Council, all Portsmouth secondary schools, the Beneficial Foundation, local universities and Further Education providers as well as many other local, regional and national organisations.

PRINCIPAL RISKS AND UNCERTAINTIES:

The College has undertaken further work during the year to develop and embed the system of internal control, including financial, operational and risk management which is designed to protect the College's assets and reputation. The College is using the risk register as the driver for the Board Assurance Framework following the decision not to obtain a full assurance opinion from the College internal auditors.

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

A risk register is maintained at the College level which is reviewed termly by the Audit Committee and by the full Corporation. In addition, risks from the College register are allocated to each governor committee and are reviewed in more detail by those committees at each meeting. The risk register identifies the key risks, the likelihood of those risks occurring, their potential impact on the College and the actions being taken to reduce and mitigate the risks. Risks are prioritised using a consistent scoring system.

Operating and Financial Review (continued)

PRINCIPAL RISKS AND UNCERTAINTIES: (continued)

Outlined below is a description of the principal risk factors that may affect the College. Not all the factors are within the College's control. 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 further education funding bodies. In 2015/16, 91% of the College's revenue was ultimately public funded and this level of requirement is expected to continue. There can be no assurance that government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

The College is aware of issues which may impact on future funding:

- The continuing government deficit will require further savings to be made from government spending and the unknown impact of BREXIT. Post 16 education is not exempt from cuts though 16-18 funding rates have been set till 2020.
- Adult Learner Responsive funding allocations will inevitably receive further cuts in funding as the expectation is that more delivery is e-learning based funded via learner loans and that the funding will be directed towards apprenticeships.
- Demographic falls in numbers of school leavers in Portsmouth together with ever increasing competition have increased the risk of under-delivery of EFA contracted student numbers.

This risk is mitigated in a number of ways:

- Funding is derived through a number of direct and indirect contractual arrangements;
- By ensuring the College is rigorous in delivering high quality education and training maintaining the trend of improvements in 16-18 performance;
- Continue to invest in the facilities to enable the College to match other local providers;
- Building on the rising reputation of the College through targeted marketing and by offering creative and innovative opportunities that are suitable and attractive to the local community;
- Considerable focus and investment of time is placed on maintaining and managing key relationships with the various funding bodies;
- Work with local schools to assist them in achieving improving educational outcomes as well as ensuring the College offer delivers what these local young people need to make them successful;
- Further develop and expand the breadth and size of the Apprenticeship programme through maintaining highest standards of quality and customer service helping local young people obtain employment with training;
- Work with the SFCA to promote the Sixth Form college brand and to push Sixth Form agenda such as getting the government to agree to changes allowing Sixth Form Colleges to reclaim input VAT.

2. Tuition fee policy

The reduction in the classes of learners who are able to claim fee remission has impacted on the College's ability to recruit as many students, particularly due to the low levels of disposable income within Portsmouth. In line with many other colleges, Portsmouth College is generally finding it impossible to pass on the SFA full fee assumptions.

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;
- Checking prices charged for courses are competitive, value for money and cover delivery costs;
- Increase relationships with local businesses that are prepared to pay fees for high quality, targeted and convenient training for their staff. Improvements to the College facilities will help to provide businesses with the training venues that they would expect.
- Promote the 24+ loans for Level 3 courses extensively as not having to find funds upfront suits learners with low disposable income.

Operating and Financial Review (continued)

PRINCIPAL RISKS AND UNCERTAINTIES: (continued)

3. Maintain adequate funding of pension liabilities

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 s28.11 which is being repaid through additional contributions each year.

4. Accommodation strategy

Government requirements for greater efficiencies will reduce funding levels increasingly limiting opportunities to make surpluses to fund premises improvements. College management will ensure that all opportunities to bid for capital grants are fully exploited by submitting high quality applications.

STAKEHOLDER RELATIONSHIPS

In line with other colleges and with universities, Portsmouth College has many stakeholders. These include:

- Students;
- Education sector funding bodies;
- Sixth Form Commissioner;
- Staff;
- Local employers (with specific links);
- Local Authorities;
- Partner secondary schools;
- LEPs;
- The local community;
- Other FE institutions and local universities;
- Trade unions;
- Professional bodies.

The College recognises the importance of these relationships and engages in regular communication with them via personal contact and the building of trust through relationship which enables the College to maximise opportunities to and make a difference as an educational charity. Communication with stakeholders is made through the College Internet site, social media and through informal and formal meetings.

Equal Opportunities and employment of disabled persons

Portsmouth College is committed to ensuring equality of opportunity for all who learn and work here. We respect and value positively differences in race, gender, sexual orientation, ability, religion or belief and age. We strive vigorously to remove conditions which place people at a disadvantage and we will actively combat bigotry. This policy is resourced, implemented and monitored on a planned basis. The College's Equal Opportunities Policy, including its Race Relations Policy, is published on the College's Intranet site.

The College is a 'Positive about Disabled' employer and has committed to the principles and objectives of the Positive about Disabled standard. The College considers all applications for employment from disabled persons, bearing in mind the aptitudes of the individuals concerned, and guarantees an interview to any disabled applicant who meets the essential criteria for the post. Where an existing employee becomes disabled, every effort is made to ensure that employment with the College continues. The College's policy is to provide training, career development and opportunities for promotion which, as far as possible, provide identical opportunities to those of non-disabled employees.

Operating and Financial Review (continued)

Disability Statement

The College seeks to achieve the objectives set down in the Disability Discrimination Act 2010:

- a) There is a list of specialist equipment, such as lighting and audio facilities, which the College can make available for use by students;
- b) The admissions policy for all students is described in the College charter. Appeals against a decision not to offer a place are dealt with under the complaints policy;
- c) The College has made a significant investment in the appointment of specialist teachers to support students with learning difficulties and/or disabilities. There are a number of student support assistants who can provide a variety of support for learning. There is a continuing programme of staff development to ensure the provision of a high level of appropriate support for students who have learning difficulties and/or disabilities;
- d) Specialist programmes are described in programme information guides, and achievements and destinations are recorded and published in the standard college format;
- e) Counselling and welfare services are described in the College charter;
- f) As part of its development of an accommodation strategy the College has updated its access audit, the result of which continues to influence and inform future developments.

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 14th December 2016 and signed on its behalf by



David Carpenter
Vice Chair

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 1st August 2015 to 31st 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); and
- ii. having due regard to the UK Corporate Governance Code 2014 insofar as it is applicable to the further education sector

The College is committed to exhibiting best practice in all aspects of corporate governance. We have not adopted and therefore do not comply with 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 the governors, the College complies with all the provisions of the UK Corporate Governance Code in so far as they apply to the Further Education Sector, 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 particular duty to observe the highest standards of corporate governance at all times.

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 follows:

Name	Date of Present Appointment	Term of Office (Years)	Date of Resignation	Status of Appointment	Committees Served	Corporation Meeting Attendance
Mr N Wynne	May 2013	4		General	Corporation (Chair) Finance & Resources, Remuneration, Search	80% 67% 100% 100%
Mr D Carpenter	Jan 2013	4		General	Corporation (Vice Chair) Curriculum & Student (Chair) Employment Policy	80% 100% 100%
Mr S Frampton	June 2005	-		Principal	Corporation, Curriculum & Student, Employment Policy, Finance & Resources, Search	100% 100% 67% 100%
Mr Jafor Ahmed	Dec 2012	4		General	Corporation, Audit	100% 80% 100%
Miss Lanjeta Basiyalo	April 2016	1		Student	Corporation Curriculum & Student	0% 100%
Mr D Burtenshaw	Mar 2015	1	July 2016	General	Corporation, Search (Chair)	80% 100%
Dr J Cullen	Mar 2015	1	Dec 2015	General	Corporation, Audit (Chair)	67% 100%

Statement of Corporate Governance and Internal Control (continued)

Mrs L Exley	July 2013	4		General	Corporation,	40%
Ms T Gray	Jan 2014	4		General	Curriculum & Student Corporation	100%
					Search,	100%
					Employment Policy (Chair)	100%
Mrs K Hills	Mar 2012	4	Mar 2016	Staff	Remuneration Corporation	100%
Mr J Humphries	July 2013	4		General	Employment Policy Corporation	50%
Ms K Jagger	July 2015	4		Staff	Curriculum & Student Corporation	33%
Miss M Wade	July 2015	2		Student	Audit Corporation	100%
Ms Christine Kalus	July 2015	4	July 2016	General	Curriculum & Student Corporation	20%
Mr K Kenyon	Mar 2015	4		General	Search Corporation	67%
Mr P Milford	Mar 2013	4		General	Curriculum & Student Corporation	67%
Mrs A Ray	May 2016	4		Staff	Finance & Resources Corporation	60%
Mr R Smith	Mar 2015	2		General	Employment Policy Corporation	100%
Mr G Spitsak	July 2015	1	April 2016	Student	Corporation	67%
Mr M Stoneman	Mar 2015	4		General	Resources (Chair) Corporation	25%
Ms A Stratford	July 2014	4		General	Curriculum & Student Corporation	100%
Ms K Tyrrell	July 2013	4		Parent	Finance & Resources Corporation	60%
Mrs A Vossel-Newman	Mar 2015	4		General	Resources Corporation	33%
Mr H Taylor	Dec 2015	N/A		Shadow Governor	Corporation	20%
					Search	33%
					Audit (Chair) Corporation	100%
					Curriculum & Student Corporation	100%
					Corporation	100%
					Curriculum & Student Corporation	50%

Clerk to the Corporation - Mr A McVittie (Resigned 31.12.2015)
- Mrs K Frost (Appointed 04.01.2016)

Attendance at Corporation meetings and at its sub-Committees overall was 73% throughout 2015/16 (2014/15 79%). Apologies for absence have been noted and accepted in all cases. The minutes of meetings record the attendance and/or absence of individual Governors. All meetings have been quorate.

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 at least once a term.

Statement of Corporate Governance and Internal Control (continued)

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: Finance and Resources, Remuneration, Employment Policy, Curriculum and Student, Audit and Search.

During 2016/17, the Corporation met 5 times. The Finance and Resources Committee, Curriculum and Student Committee, Audit Committee, Employment Policy Committee and Search Committee each met three times. The Remuneration Committee was convened once.

Full minutes of all meetings, except those deemed to be confidential by the Corporation, are available on the College's website at www.portsmouth-college.ac.uk or from the Clerk to the Corporation at:

Portsmouth College
Tangier Road
Portsmouth PO3 6PZ

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. In addition, verbal declarations of pecuniary and personal interest are requested at the beginning of each meeting and recorded in the minutes.

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 Accounting Officer (Principal) of the College are separate. The Principal is the sole post-holder and the Corporation has approved an appropriate scheme of delegation for his responsibilities.

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 Committee comprising four members of the Corporation, 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 an initial term of office not exceeding four years.

Corporation performance

The Corporation produced a Governance Self-Assessment Report for the period 2013-16 linked to the Strategic Plan for the same period. This report considered progress made in key Strategic, Corporation and Operational targets. The outcome of the latest review indicates that by far the majority of targets have been either achieved or are in progress showing that the Corporation has been effective over the three years of the plan.

Remuneration Committee

Throughout the year ending 31 July 2016 the College's Remuneration Committee comprised three members of the Corporation. The Committee's responsibilities are to make recommendations to the Board on the remuneration and benefits of the Accounting Officer (Principal).

Details of remuneration for the year ended 31 July 2016 are set out in note 7 to the financial statements.

Audit Committee

The Audit Committee comprises four members of the Corporation (excluding the Accounting Officer and Chair). The Committee operates in accordance with written terms of reference approved by the Corporation.

Statement of Corporate Governance and Internal Control (continued)

The Audit Committee meets on a termly basis and provides a forum for reporting by the College's internal, regularity and financial statements 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 review 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 is responsible for the implementation of agreed audit recommendations, and internal audit undertakes 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 statements auditors and their remuneration for audit and non-audit work as well as reporting annually to the Corporation.

Curriculum and Student Committee

The Curriculum and Student Committee consists of eight members of the Corporation including student governors. The Committee met three times during the year and advises the Corporation on matters concerning quality of education including through having an active role in the Self-Assessment Report reviews of curriculum departments. In addition issues concerning curriculum development, student experience and student progression are considered and recommendations are made to the Corporation.

Finance and Resources Committee

The Finance and Resources Committee consists of five members of the Corporation and met three times during the year. The Committee advises the Corporation on matters concerning the operation of the Financial Regulations, management and statutory accounts, annual budgets, financial forecasts and all matters concerning the financial health of the Corporation.

Employment Committee

The Employment Committee consists of five members of the Corporation and met three times during the year. The Committee advises the Corporation on matters concerning staff and employment policies, Health and Safety and staff development.

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 the 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 he is personally responsible, in accordance with the responsibilities assigned to him in the Financial Memorandum between Portsmouth College and the funding bodies. He 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 ongoing 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 Portsmouth College for the year ended 31 July 2016 and up to the date of approval of the annual report and accounts.