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AUDIT COMMITTEE REPORT

Subject: Internal Audit Assignment – Education Maintenance Allowance 2019/20	**Purpose:** **For Approval** ☒ **For Discussion** ☐ **For Information** ☐
Prepared by: H Robertson Vice Principal – Finance & Corporate Services	**Date:** 18 November 2020

Purpose: To present for the findings of the EMA for 2019/20.

Linked to Strategic Goal: We will take a leading role in enabling an inclusive, resilient and sustainable Scotland

Executive Summary:

The audit report on the management of the College's Educational Maintenance Allowance (EMA) is attached.

The report has no recommendations for action and confirms that the audit certificate was submitted to the Scottish Funding Council on 2 October 2020.

Recommendation:
Committee consider the findings of the report and approve the auditor's findings.

Previous Committee Approvals:
n/a

For publication ☒	**For publication with redactions** ☐	**Not for publication** ☐

Wylie+Bisset
Chartered Accountants, Business & Tax Advisers

Borders College

Education Maintenance Allowance

2019/20

September 2020

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The matters raised in this report came to our attention during the course of our audit and are not necessarily a comprehensive statement of all weaknesses that exist or all improvements that might be made.

This report has been prepared solely for Borders College's individual use and should not be quoted in whole or in part without prior written consent. No responsibility to any third party is accepted as the report has not been prepared, and is not intended, for any third party.

We emphasise that the responsibility for a sound system of internal control rests with management and work performed by internal audit should not be relied upon to identify all system weaknesses that may exist. Neither should internal audit be relied upon to identify all circumstances of fraud or irregularity should there be any although our audit procedures are designed so that any material irregularity has a reasonable probability of discovery. Even sound systems of control may not be proof against collusive fraud. Internal audit procedures are designed to focus on areas that are considered to be of greatest risk and significance.

1 EXECUTIVE SUMMARY

Introduction

This report has been prepared following the conclusion of our audit of the "Educational Maintenance Allowance" for the year ended 31 July 2020.

The audit certificate was submitted to the Scottish Funding Council (SFC) on 2 October 2020.

Summary of Recommendations

Current Year Recommendations	High	Medium	Low	Total
EMA Audit 2019/20	-	-	-	-

Prior Year Recommendations	High	Medium	Low	Total
There were no recommendations.				

Conclusion

Overall Conclusion:

We have examined the books and records of Borders College, including evidence of spot checks of five percent of applications and payments, with a sample size appropriate to the size of the College, and have obtained such explanations and carried out such tests as we considered necessary.

On the basis of our examination and of the explanations given to us, we report that the information set out in these forms is in agreement with the underlying records.

We also report that, in our opinion, the College used these funds in accordance with the SFC's conditions and the principles of the Education Maintenance Allowance programme.

We are satisfied that the systems and controls of the administration and disbursement of these funds are adequate.

2 BENCHMARKING

We include for your reference comparative benchmarking data of the number and ranking of recommendations made for audits of a similar nature in the year ending 31 July 2019.

Benchmarking	High	Medium	Low	Total
Average no. recommendations in similar audits	-	-	1	1
Recommendations at Borders College	-	-	-	-

As can be seen from the above table, the College has a lower number of recommendations in comparison to the colleges it has been benchmarked against.

3 AUDIT ARRANGEMENTS

We detail below our staff who undertook the review together with the College staff we spoke to during our review.

Wylie & Bisset LLP			
Partner	Graham Gillespie	Partner	graham.gillespie@wyliebisset.com
Manager	Scott McCready	Internal Audit Manager	scott.mccready@wyliebisset.com
Senior	Damian Gray	Internal Audit Senior	damian.gray@wyliebisset.com

Borders College			
Key Contact	Carolyn Chapman	Student Funding Manager	cchap@borderscollege.ac.uk

Wylie & Bisset appreciates the time provided by all the individuals involved in this review and would like to thank them for their assistance and co-operation.

4 AUDIT ARRANGEMENTS

The table below details the dates of our fieldwork and the reporting of the audit area under review.

Audit Stage	Date
Fieldwork start	14 September 2020
Closing meeting	18 September 2020
Draft report issued	25 September 2020
Receipt of management responses	28 September 2020
Final report issued	2 October 2020
Audit Committee	26 November 2020
Submission to Scottish Funding Council	2 October 2020
No of audit days	2

A AUDIT CERTIFICATE

Auditors' Report to the Scottish Funding Council for the Period from 01 August 2019 to 31 July 2020

We have examined the books and records of the above College, including evidence of checks of 5% of applications and payments, with a sample size appropriate to the size of the institution, and have obtained such explanations and carried out such tests as we considered necessary.

On the basis of our examination and of the explanations given to us, we report that the information set out in these forms is in agreement with the underlying records.

We also report that, in our opinion, the College used these funds in accordance with the Scottish Funding Council's conditions and the principles of the Education Maintenance Allowance programme.

We are satisfied that the systems and controls of the administration and disbursement of these funds are adequate.

Signature: Wylie & Bisset

Name of Firm: Wylie & Bisset LLP

Date: 2 October 2020

B GRADING STRUCTURE

For each recommendation, we make we assign a grading either as High, Medium or Low priority depending upon the degree of risk assessed as outlined below:

Grading	Classification
High	Major weakness that we consider needs to be brought to the attention of the Audit Committee and addressed by senior management of the College as a matter of urgency
Medium	Significant issue or weakness which should be addressed by the College as soon as possible
Low	Minor issue or weakness reported where management may wish to consider our recommendation