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BORDERS COLLEGE REGIONAL BOARD

AUDIT & RISK COMMITTEE

30 November 2023

Internal Audit Assignment – Education Management Allowance 2022/23

1.0 PURPOSE OF PAPER

For decision

1.1 The purpose of this paper is to provide the Committee with findings of the internal audit for Education Management Allowance (EMA).

2.0 EXECUTIVE SUMMARY

2.1 There is an annual requirement to provide the Scottish Funding Council with an audit certificate. The certificate is required to be provided to SFC by 31 October 2023.

2.2 The required annual internal audit has been undertaken during September and the controls have been found to be satisfactory.

2.3 The completion and satisfactory audit has allowed the required audit certificate to be submitted to Scottish Funding Council on 29 September.

3.0 RECOMMENDATION

3.1 I recommend that the Audit and Risk Committee note the report contained in Appendix A.

4.0 BACKGROUND

4.1 Scottish Funding Council manages the national EMA programme on behalf of the Scottish Government. SFC issue annual guidance for the audit of these funds which include specific requirements around data checking and deadline for submission of the Audit Certificate.

5.0 2022-23 Audit

5.1 The 2022-23 audit guidance was issued by Scottish Funding Council on 30 August 2023 and can be found here. The guidance requires the audit certificate to be submitted to Scottish Funding Council by 31 October 2023

5.2 The audit work was completed by Wylie Bisset during September and the audit certificate was submitted to SFC on 29th September.

5.3 There were no recommendations identified and the overall conclusion is shown below. The full report is contained in Appendix A.

"We have examined the books and records of Borders College, including evidence of checks of five percent of applications and payments, with a sample size appropriate to the total number of applicants, 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"

6.0 IMPLICATIONS AND CONSIDERATIONS

6.1 Financial Implications

The are no direct financial implications from the contents of this report. The satisfactory completion of the audit and audit certificate submission provides assurance the funds are appropriately disbursed. This should result in funding being given for 2024-25 Education Management Allowance.

6.2 Learner Implications

There are no direct implications from the contents of this report. The disbursement of these funds however ensures that students from low income households are given the financial support to enable them to continue in their education journey.

6.3 Staff Implications

There are no direct staff implications from the contents of this report.

6.4 Equality and Diversity Implications/Equality Impact Assessment

There are no direct equality and diversity implications from the contents of this report.

6.5 Sustainability/Environmental Implications

There are no direct sustainability or environmental implications from the contents of this report.

7.0 RISK COMMENTARY

7.1 The satisfactory completion of the audit and submission of the required audit certificate to SFC mitigate any possible risk of funds being inappropriately disbursed and which could require the College to repayment.

8.0 CONCLUSION

8.1 The annual audit of EMA's has been completed and the controls have been found to be satisfactory, allowing the required audit certificate to be submitted to SFC, within the required time frame.

Kirsty Robb, Vice Principal Finance & Corporate Resources

Previous Committee Approvals: N/A

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Wylie + Bisset
Accountants, Business & Tax Advisers

Borders College

Education Maintenance Allowance 2022 - 2023

+ September 2023

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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 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 Education Maintenance Allowance for the year ended 31 July 2023.

The audit certificate was submitted to the Scottish Funding Council (SFC) on 29 September 2023.

Summary of Recommendations

Current Year Recommendations	High	Medium	Low	Total
EMA Audit 2022/23	-	-	-	-

Prior Year Recommendations	High	Medium	Low	Total
There were no recommendations made on the EMA Audit 2021/22.				

1. Executive Summary

Conclusion

Overall Conclusion:
We have examined the books and records of Borders College, including evidence of checks of five percent of applications and payments, with a sample size appropriate to the total number of applicants, 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.

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 2022.

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

As can be seen from the above table, the College has a similar 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
Senior Manager	Susan Brook	Senior Internal Audit Manager	susan.brook@wyliebisset.com
Auditor	Carla Tamagnini	Internal Auditor	carla.tamagnini@wyliebisset.com

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

Wylie & Bisset recognises the time provided by all the individuals involved in this review and would like to thank them for their assistance and co-operation. We can confirm that all data requested was ready on our arrival and the availability and assistance provided by the involved staff was greatly appreciated.

3. 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	11 September 2023
Closing meeting	18 September 2023
Draft report issued	26 September 2023
Receipt of management responses	27 September 2023
Final report issued	10 October 2023
Submission to Scottish Funding Council	29 September 2023
Audit Committee	28 November 2023
No of audit days	2

A. Audit Certificate

Name of College: Borders College

Auditors' Report to the Scottish Funding Council for the Period from 01 August 2022 to 31 July 2023

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 total number of applicants, 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.

Signature: - Wylie & Bisset

Name of Firm: - Wylie & Bisset LLP

Date: - 29 September 2023

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

Wylie Bisset

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