

AUDIT & RISK COMMITTEE

22 May 2025

Internal Audit Assignment – Follow Up Review

1.0 PURPOSE OF PAPER

For decision

- 1.1 The purpose of this paper is to provide the Committee with outcome of the Follow Up Review of the internal audit recommendations previously agreed.

2.0 EXECUTIVE SUMMARY

- 2.1 The Committee approved the Internal Audit plan for 2024/25 on 3 October 2024. The plan included the Follow up review.
- 2.2 The review was undertaken during March 2025.
- 2.3 The audit has an overall conclusion as “Strong”. All four outstanding internal audit recommendations were fully complete. The full report is contained in Appendix A.

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 The Financial Memorandum with the SFC requires the College to have an effective internal audit function and that the duties of that function conform to the professional standards of the Chartered Institute of Internal Auditors. For incorporated colleges and Regional Boards, the operation and conduct of internal audit must comply with Public Sector Internal Audit Standards and, where relevant, the Scottish Public Finance Manual. Internal Audit is to provide the Regional Board, the Principal and senior management with assurances on the adequacy of the internal control system.
- 4.2 The Internal Audit Service is contracted to wbg who provide an annual plan of the areas to be audited. The plan for 2024/25 approved by the Committee on 3 October 2024. The plan included a follow up review of outstanding recommendations.

5.0 FOLLOW UP REVIEW AUDIT

5.1 The audit reviewed all outstanding internal audit recommendations from previous audits and was undertaken between 10 March and 28 March 2025.

5.2 There were four recommendations outstanding and all four are confirmed as complete. The overall conclusion is “Strong”. The full report is contained in Appendix A.

“Following our review, we can provide a strong level of assurance that the College has the appropriate arrangements to implement recommendations raised from previous year. This is highlighted as all four recommendations were concluded to be fully implemented.”

6.0 IMPLICATIONS AND CONSIDERATIONS

6.1 Financial Implications

The are no direct financial implications from the contents of this report.

6.2 Learner Implications

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

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 Strong governance and controls are key risk mitigations. The work undertaken by Internal Audit ensures the College has these and they are adhered to. The recommendations previously contained in Internal Reports highlight areas of improvements to strengthen systems and procedures. The follow up review of these recommendations ensures the recommendations and agreed actions are completed. The overall conclusion of “Strong” demonstrates the College is performing well in the implementation of the recommendations.

8.0 CONCLUSION

- 8.1 The Follow Up Review has been completed and resulted in an overall conclusion of “Strong”. All four outstanding recommendations have been implemented.

Kirsty Robb, Vice Principal Finance & Corporate Services

Previous Committee Approvals: Audit & Risk Committee, 3 October 2024

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Borders College

Internal Audit 2024/25

Follow Up Review DRAFT REPORT

March 2025

Overall Conclusion

Strong

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Disclaimer

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

Purpose of Review

The effectiveness of the internal control system may be compromised if management fails to implement agreed audit recommendations. Our follow up work will provide the Audit & Risk Committee with assurance that prior year recommendations are implemented within the expected timescales.

This review formed part of the agreed 2024/25 Annual Internal Audit Plan.

Scope of Review

Our objective for this review was to assess whether:

| Borders College (the College) has appropriately implemented any outstanding internal audit recommendations made in prior years.

Our approach to this assignment took the form of discussion with relevant staff, review of documentation and where appropriate sample testing.

1. Executive Summary

Conclusion

Overall Conclusion: Strong

Following our review, we can provide a strong level of assurance that the College has the appropriate arrangements to implement recommendations raised from previous year. This is highlighted as all four recommendations were concluded to be fully implemented.

Summary of Recommendations

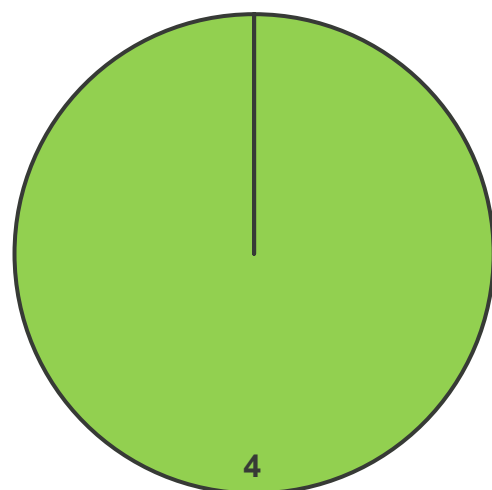
Grading of Recommendations	High	Medium	Low	Total
Fully Implemented Recommendations	-	-	4	4

We have not included fully implemented recommendations as an appendix, however details of these recommendations are available upon request.

1. Executive Summary

Summary of Recommendations by Grade

Fully Implemented



■ High ■ Medium ■ Low

1. Executive Summary

Implementation of Recommendations – Summary of Implementation

Audit Area	Total	Fully Implemented
Student Retention (December 2023)	2	2
Income Collection and Credit Control (May 2024)	1	1
Purchasing and Procurement (May 2024)	1	1
Total	4	4
Percentage of Total	100%	100%

2. 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	10 March 2025
Closing meeting	18 March 2025
Draft report issued	28 March 2025
Receipt of management responses	Tbc
Final report issued	Tbc
Audit & Risk Committee	22 May 2025
No of audit days	1

2. Audit Arrangements

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

Wbg			
Partner	Graham Gillespie	Partner of Internal Audit	gg@wbgbg.co.uk
Manager	Siobhan Archibald	Internal Audit Manager	sma@wbgbg.co.uk
Auditor	Carla Tamagnini	Internal Auditor	ct@wbgbg.co.uk

Borders College			
Key Contact	Kirsty Robb	Vice Principal (Finance and Corporate Services)	krobb@borderscollege.ac.uk

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

Appendix A

Grading Structure

A. Grading Structure

For each area of review, we assign a grading in accordance with the following classification:

Assurance	Classification
Strong	Controls satisfactory, no major weaknesses found, some minor recommendations identified
Substantial	Controls largely satisfactory although some weaknesses identified, recommendations for improvement made
Weak	Controls unsatisfactory and major systems weaknesses identified that require to be addressed immediately
No	No or very limited controls in place leaving the system open to significant error or abuse, recommendations made require to be implemented immediately

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

Appendix B

Assignment Plan

B. Assignment Plan

Purpose of review

The effectiveness of the internal control system may be compromised if management fails to implement agreed audit recommendations. Our follow up work will provide the Audit & Risk Committee with assurance that prior year recommendations are implemented within the expected timescales.

This review forms part of our 2024/25 Internal Audit Annual Plan.

Scope of review

Our objective for this review is to assess whether:

- | The College has appropriately implemented any outstanding internal audit recommendations made in prior years.

Audit Approach

Our approach to the review will be:

- | To discuss with management and staff, the status of any outstanding recommendation raised in prior years and where appropriate, undertake testing to confirm their status.

Potential Key Risk

The potential key risk associated with the area under review is:

- | The college does not address the areas of concern which may significantly affect its ability to continue to operate.