

## AUDIT & RISK COMMITTEE

22 May 2025

### Internal Audit Plan 2025/26 to 2027/28

#### 1.0 PURPOSE OF PAPER

##### For decision

- 1.1 This purpose of this paper is to provide the Committee with the Internal Audit plan for 2025/26 to 2027/28.

#### 2.0 EXECUTIVE SUMMARY

- 2.1 The appointed Internal Auditors are wbg Services LLP(formally Wylie & Bisset) have reviewed the key risks to produce the proposed Audit plan which covers the next 3 years.
- 2.2 The audit plan is contained in Appendix A.

#### 3.0 RECOMMENDATION(S)/ACTION(S) REQUIRED

- 3.1 It is recommended that the Committee agree the audit plan contained in Appendix A

#### 4.0 BACKGROUND

- 4.1 The Colleges internal audit service is provided by wbg Services LLP following a procurement process in 2024. The contract was awarded on 27 June, for the period 1 August 2024 until 31 July 2027.
- 4.2 The College's internal audit service is required to produce an audit plan of the areas to be audited during the period of the plan.

#### 5.0 EXTERNAL AUDIT PLAN

- 5.1 The Internal Audit plan contained in Appendix A had been discussed fully by Officers and the Internal Audit Team. The plan has been developed by using a risk-based approach.

5.2 The table below details the audit to be undertaken over the next three years.

<b>Audit area</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>
Finance systems/controls		✓	
Commercial Income			✓
Governance	✓		
Estate management		✓	
Safeguarding	✓		
Environmental, sustainability & governance		✓	
Cyber security	✓		
Procurement			✓
Risk Management			✓
Strategic Planning			✓
Student Wellbeing			✓
Education Management Allowance	✓	✓	✓
Student Support Funding	✓	✓	✓
Credits	✓	✓	✓
Follow up review	✓	✓	✓

5.3 The plan provides a high-level indicative summary of scope for the audits to be undertaken during 2025/26. Full audit scopes will be developed for the future years and reported to the Committee in May each year.

5.4 The above plan fully utilises the 25 audit days approved in the budget. Additional audit days can be purchased if areas of concern are identified.

5.5 The above plan for 2027/28 is provisional as the current contract with wbg is only until 31 July 2027. The plan would require an extension to the current contract which will considered during 2026/27.

## **6.0 IMPLICATIONS AND CONSIDERATIONS**

### **6.1 Financial Implications**

The audit fee for three years of the is £10,700 per annum and has been fully incorporated in the approved budgets.

### **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 contained in audits completed highlight areas of improvements systems and procedures.

## 8.0 CONCLUSION

- 8.1 The Internal Audit plan contained in Appendix A had been discussed fully by Officers and the Internal Audit Team. The plan has been developed based on a risk-based approach.

Kirsty Robb, Vice Principal Finance & Corporate Services

**Previous Board or College Committee Approvals:** Audit & Risk Committee, 3 October 2024

### Alternative formats

If you need access to a college document in an alternative format, for example, accessible PDF, large print, easy read, audio recording and braille:

- Complete an accessibility request form by [clicking on this link](#).
- Call [01896 66 26 00](tel:01896662600) and ask to speak with the Marketing Team.

We will consider your request and get back to you within 5 working days.

### Translate documents from this website into other languages

You can download any of our published documents and translate them into many languages. Please click this link to use [Google Translate](#)

<b>For publication</b> <input checked="" type="checkbox"/>	<b>Not for publication</b> <input type="checkbox"/> <b>If not, why not?</b>
--	--



# Borders College

Internal Audit Plan 2025/26

May 2025

# Table of Contents

Section	Page number
Introduction	3
Operational Plan 2025/26	4
Appendices:	
A. Summary of Internal Audit Output	11
B. Grading Structure	13
C. Key Performance Indicators	14
D. Training Topics	15
E. Audit Universe	16

# Introduction

## Background

Wbg Services LLP (Wbg) were reappointed as Internal Auditors by the Audit Committee for a period of 3 years, from 1 August 2024 until 31 July 2027, with the option to extend for a further 2, 12 month periods.

## Internal Audit

The prime responsibility of the Internal Audit Service (IAS) is to provide the Audit Committee, the Principal and other Senior Management of the College, with an objective assessment of the adequacy and effectiveness of management's internal control systems.

The IAS objectively examines, evaluates and reports on the adequacy of internal control thus contributing to the economic, efficient and effective use of resources and to the reduction of the potential risks faced by the College. Also, the operation and conduct of the IAS must comply with the guidelines set down by the Institute of Internal Auditors and Public Sector Internal Audit Standards.

## Terms of Reference – Internal Audit

The provision of the IAS by Wbg is covered by the letter of engagement dated 30 August 2024.

## Preparation of Audit Plan

This Plan was developed following discussions with the College's vice Principal – Finance and Corporate Services. Following discussions, it was decided to bring the Cyber Security Review forward from its original schedule in 2026/27 to 2025/26, and to defer the Estates Management Review from 2025/26 to 2026/27. This change was made because cyber security is currently viewed as a more pressing risk.

## Formal Approval

This Audit Plan covers the period 2025/26 and will be presented to the Audit Committee for approval on 22 May 2025.

# Operational Plan

2025/26

# Safeguarding



Audit area	High level indicative summary scope	Total number of days
Safeguarding	<p>The purpose of this review is to assess whether the College's systems and procedures for safeguarding are fully compliant with legislation and the College are taking all necessary steps to protect its students. This review will seek to provide assurance to the Board, via the Audit Committee, that the safeguarding arrangements are adequate.</p> <p>Our objectives for this review are as follows:</p> <ul style="list-style-type: none"><li>  The College keeps up to date with legal requirements and ensures that policies and procedures are revised accordingly.</li><li>  There are clear responsibilities and accountabilities for safeguarding arrangements at senior level.</li><li>  The College self-assessment processes ensure that the impact of safeguarding provision is measured effectively.</li><li>  The College has robust systems and processes for dealing with safeguarding issues reported, which includes the escalation process.</li><li>  Staff have received appropriate training on the College's safeguarding arrangements to enable them to be confident and well equipped to promote safeguarding in a sensible and proportionate way.</li></ul>	5



# Cyber Security

Audit area	High level indicative summary scope	Total number of days
Cyber Security	<p>We will undertake a review of the cyber security arrangements in place to assess whether there are appropriate controls in place to mitigate the loss of business-critical information due to a cyber-attack or failure of key systems/suppliers. We will test these arrangements against the National Cyber Security Centre's (NCSC) 10 steps to Cyber Security guidance.</p> <p>Our objectives for this review are as follows:</p> <ul style="list-style-type: none"><li>  There is an appropriate risk-based approach to securing data and systems which has been adopted.</li><li>  There is appropriate cyber-awareness training for College staff that has been mandated.</li><li>  The architecture and configuration of key College systems is easily maintained and updated to adapt effectively to emerging cyber threats.</li><li>  There are appropriate solutions in place to control access to the College's information systems.</li><li>  There are appropriate solutions in place to protect College data from unauthorised access, modification, and deletion.</li><li>  The College systems are appropriately patched to minimise the risk of vulnerabilities being successfully exploited in an attack.</li><li>  There are appropriate processes and procedures in place to respond to security incidents that will help prevent further damage.</li><li>  There are appropriate processes in place for vetting suppliers and assessing the adequacy of their cyber security controls.</li><li>  There is an appropriate understanding of all assets that are part of the College's IT network and environment.</li><li>  The College systems are appropriately monitored with information logged and actively analysed.</li></ul>	6

# Governance

Audit area	High level indicative summary scope	Total number of days
Governance	<p>The purpose of this assignment is to assess whether the College has appropriate governance arrangements in place and that these have been embedded throughout the whole College. This review will look to provide assurance that the College's Corporate Governance arrangements are appropriate and represent good practice.</p> <p>Our objectives for this review are as follows:</p> <ul style="list-style-type: none"><li>  Board and Committee terms of reference are clear and not overlapping.</li><li>  Board and Committees have a programme of work in accordance with their terms of reference that allows them to make an effective and timely contribution.</li><li>  Members are provided with sufficient, high quality management information in their areas of responsibility.</li><li>  Board and Committees are appropriately attended, and members are sufficiently engaged.</li><li>  The Board and Committees have effectively assessed their performance, and the balance of skills required within the Board and Committees.</li><li>  The College reviews its compliance with the Code of Good Governance and prepares an action plan to address any issues identified.</li></ul>	4

# Funding Reviews and Follow Up Review



Audit area	High level indicative summary scope	Total number of days
EMA	Our audit will follow the requirements of the SFC guidance issued.	2
SSF	Our audit will follow the requirements of the SFC & SAAS guidance issued.	2
Credits	Our audit will follow the requirements of the SFC guidance issued.	5
Follow Up Review	<p>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 Committee with assurance that prior year recommendations are implemented within the expected timescales. Our objective for this review is to assess whether:</p> <p>  The College has appropriately implemented any outstanding internal audit recommendations made in prior years.</p>	1

# Assignment Plans & Dates

## Assignment Plans

A detailed assignment plan will be prepared for each audit undertaken, setting out the scope and objectives of the work, allocating resources and establishing target dates for the completion of the work. Each assignment plan will be agreed and signed off by an appropriate sponsor from the College.

## Key Dates

Visit	Name	No. of audit days	Key College personnel	Provisional start date for visit	Provisional date of issue of draft report	Provisional date for reporting to Audit Committee
1	EMA	2	Carolyn Chapman – Finance Student Funding Manager	8 September 2025	26 September 2025	9 October 2025
	SSF	2				
	Credits	5	Joanne George – Director of MIS and eLearning			
2	Safeguarding	5	Amy Bridon – Director of Student Services Katrina Fitzgerald – Health & Safety Manager Debbie Kerr – Director of People Service	27 October 2025	14 November 2025	2 December 2025
	Cyber Security	6	Conor Bradley – Director of IT and Digital			
3	Governance	4	Ingrid Irk – Board Secretary Ray McCowan – Board Chair Pete Smith – Principal & CEO	1 December 2025	19 December 2025	12 February 2026
	Follow Up	1	Kirsty Robb - Vice Principal (Finance and Corporate Services)			

# Appendices

**A – Summary of Internal Audit Input**

**B - Grading Structure**

**C – Key Performance Indicators**

**D – Training Topics**

**E – Audit Universe**

# A – Summary of Internal Audit Input



1 August 2024 to 31 July 2028		Operating Plan (No. Of days)			
System	Audit Area	2024/25	2025/26	2026/27	2027/28
Financial Systems	Financial Sustainability	5			
	Financial Systems/Controls			4	
	Commercial Income				4
	Procurement				5
Non-Financial Systems	HR Policies	4			
	Governance		4		
	Estates Management			4	
	Safeguarding		5		
	Environmental, Sustainability & Governance			3	
	Risk Management				4
	Strategic Planning				3
	Student Wellbeing				4
IT	Cyber Security		6		
	Business Continuity & Disaster Recovery	4			
	<b>Total Days c/f</b>	<b>13</b>	<b>15</b>	<b>11</b>	<b>20</b>

# A – Summary of Internal Audit Input



1 August 2024 to 31 July 2028		Operating Plan (No. Of days)			
System	Audit Area	2024/25	2025/26	2026/27	2027/28*
	<b>Total Days b/f</b>	<b>13</b>	<b>15</b>	<b>11</b>	<b>20</b>
Required	EMA	2	2	2	2
	SSF	2	2	2	2
	Credits	5	5	5	5
	Follow Up Review	1	1	1	1
	Audit Management	2	2	2	2
	<b>Total Days</b>	<b>25</b>	<b>27</b>	<b>23</b>	<b>32</b>

\* 2027/28 is a provisional plan which would only be actioned if the extension is granted. Total days and audit areas to be agreed.

# B – 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 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



# C – Key Performance Indicators

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

Performance Indicator	Target
Internal audit days completed in line with agreed timetable and days allocation	100%
Draft scopes provided no later than 10 working days before the internal audit start date and final scopes no later than 5 working days before each start date	100%
Draft reports issued within 10 working days of exit meeting	100%
Management provide responses to draft reports within 15 working days of receipt of draft reports	100%
Final reports issued within 5 working days of receipt of management responses	100%
Recommendations accepted by management	100%
Draft annual internal audit report to be provided by 31 August each year	100%
Attendance at Audit Committee meetings by a senior member of staff	100%
Suitably experienced staff used on all assignments	100%

## D – Training Topics

As a firm we offer a wide range of training topics to our clients and we have listed below some of the topics which we would be able to offer Borders College.

Topic	Summary
Risk Management	This can cover risk awareness, assessment of risks, responsibilities for monitoring risks, risk appetite and the scoring of risks. This is usually done as a workshop to ensure buy-in from management and committee members to the risk management process.
Role of the Board	This would cover the roles and responsibilities of Board members, including the Chair. This has been particularly useful when new Board members have been appointed and allows members to obtain some knowledge on what the expectation of a Board member is and what they should be looking out for.
Role of Internal Audit	We would provide a short session on what the internal audit function should be delivering to the College and the added value which we would bring.
Finance for Non-Financials	This is useful for committee members who do not have a finance background and covers areas such as the management accounts, budget reporting and the statutory accounts.
Fraud Awareness	We would cover the importance of having a strong control environment and areas to be aware of in relation to fraud. We would discuss some real-life examples of where we have identified or been asked to investigate allegations of fraud and the results of these investigations.

# E – Audit Universe



We have set out below the auditable entities, processes, systems and activities, which support the development of the internal audit plan, and the Internal Audit coverage since 2014. Please see page 13 for the colour key of assurance ratings.

Area	2014/15	2015/16	2016/17	2017/18	2018/19
Finance	Budgetary & Financial Controls	Income Collection & Credit Control	Purchasing & Procurement	Budgetary & Financial Controls	Payroll
Compliance	PCI Compliance				
	SPFM Compliance				
Central Functions		MIS Department	Curriculum Planning	Marketing	
				Curriculum Planning Course Costing	
Estates	Space Management			Fixed Asset Management	
	Estates Management				
HR/ Staffing	Human Resource Management	Performance Management & Review	Payroll		
	Staff Utilisation				
Student Management			Learning Support		Student Activity Enrolment and Withdrawals
IT		Student Funding Application System			IT Systems
Governance		Corporate Governance	Risk Management		

# E – Audit Universe



Area	2019/20	2020/21	2021/22	2022/23	2023/24
Finance	Income Collection & Credit Control	Purchasing & Procurement	Budgetary & Financial Reporting	Payroll	Income Collection & Credit Control
	Commercial Income				Purchasing & Procurement
Compliance			Health & Safety		
Central Functions		MIS	Procedures Manual Review		
		VfM: Community & Leisure Courses			
		Value for Money			
Estates				Estates Management	
HR/ Staffing				Equalities & Diversity	
Student Management				Complaints Handling	Student Retention
IT			IT Systems	Disaster Recovery Testing	ProSolution System Review
Governance	Corporate Governance		Risk Management		
	Information Governance				

# E – Audit Universe



Area	2024/25	2025/26	2026/27
Finance	Financial Sustainability		Financial Systems/ Controls
Compliance		Safeguarding	
Central Functions			Environmental, Sustainability & Governance
Estates			Estates Management
HR/ Staffing	HR Policies		
Student Management		Student Wellbeing	
IT	Business Continuity & Disaster Recovery		
Governance		Governance	