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AUDIT & RISK COMMITTEE

26 February 2026

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 2025/26 on 22 May 2025. The plan included the Follow up review.

2.2 The review was undertaken during December 2025.

2.3 The audit has an overall conclusion as “Strong”. Four internal audit recommendations were confirmed fully complete, and the remaining one is confirmed to be on track to meet agreed target date. 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 2025/26 approved by the Committee on 22 May 2025. 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 1 December and 5 December 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 2024/25 and earlier years. This is highlighted as four out of five recommendations were concluded to be fully implemented and the remaining as not yet due with the implementation date not until March 2026.”

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, 22 May 2025

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Borders College

Internal Audit 2025/26

Follow Up Review

December 2025

Overall Conclusion

Strong

Table of Contents

Section	Page number
1. Executive Summary	4
2. Audit Arrangements	9
Appendices:	
A. Not Yet Due Recommendations	11
B. Grading Structure	14
C. Assignment Plan	16

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 Committee with assurance that prior year recommendations are implemented within the expected timescales.

This review forms part of the 2025/26 Internal Audit Annual Plan.

Scope of Review

Our objective for this review was to assess whether:

- 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 and review of documentation.

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 in place to implement recommendations raised from 2024/25 and earlier years. This is further highlighted as four out of five recommendations were concluded to be fully implemented and the remaining as not yet due with the implementation date not until March 2026. Please refer to **Appendix A** for further information.

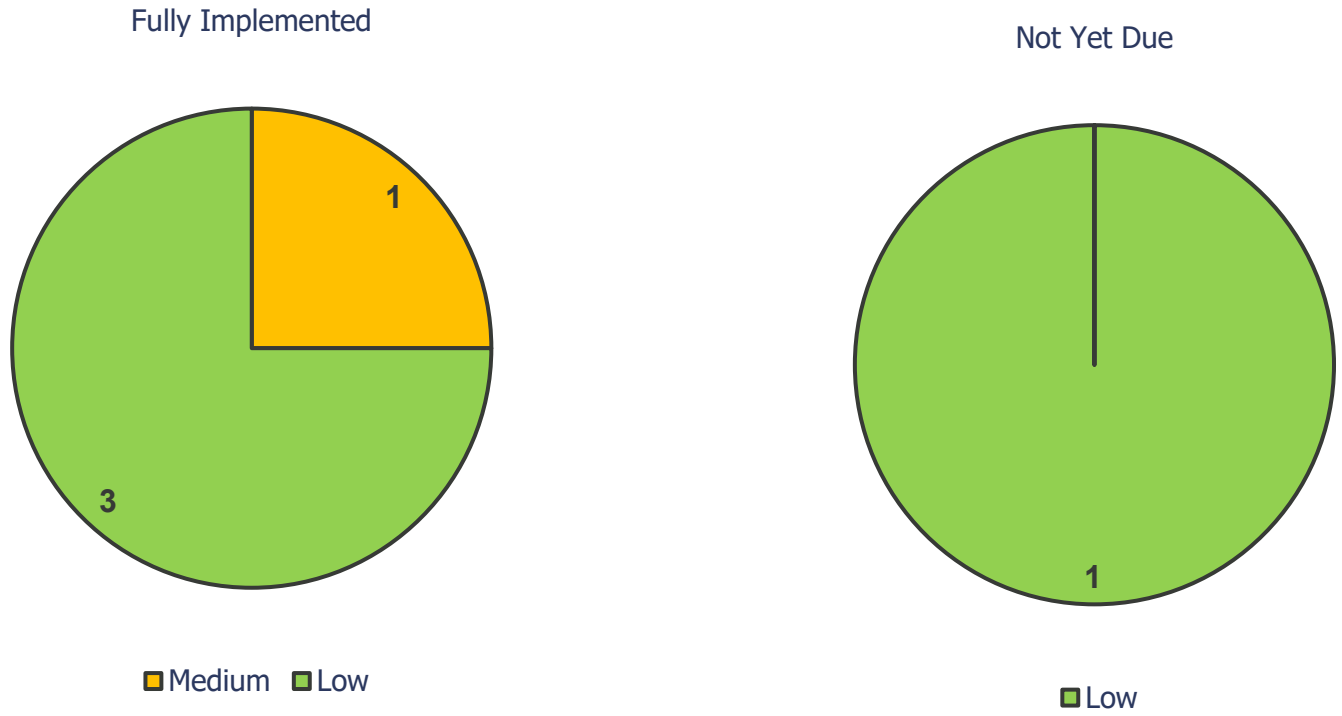
Summary of Recommendations

Grading of Recommendations	High	Medium	Low	Total
Appendix A – Not Yet Due Recommendations	-	-	1	**1**
Fully Implemented Recommendations	-	1	3	**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



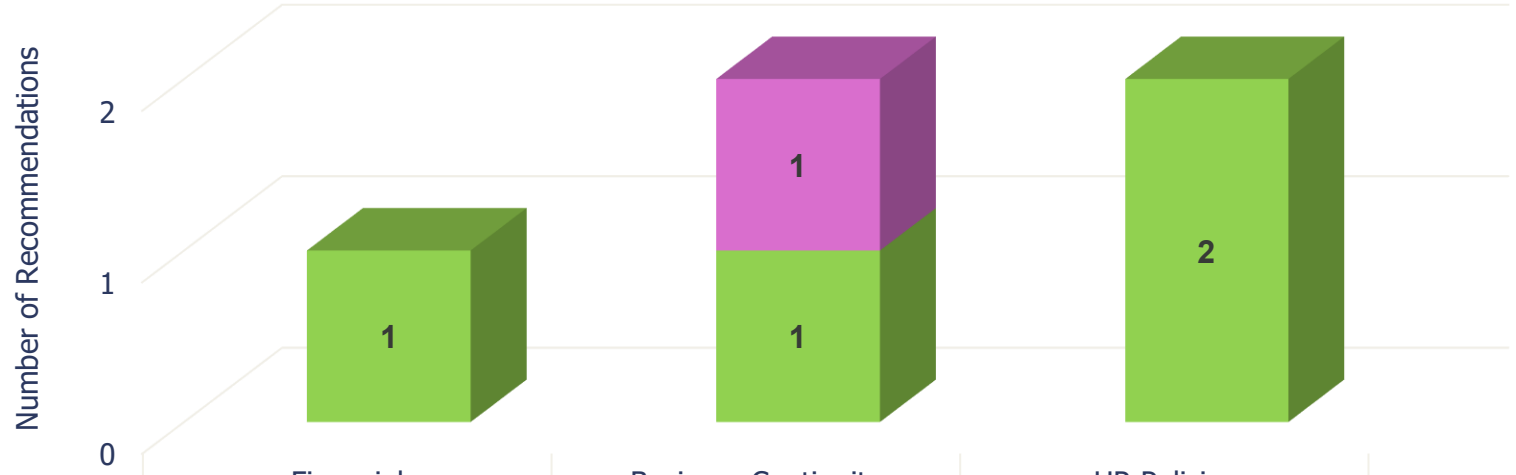
1. Executive Summary

Implementation of Recommendations – Summary of Implementation

Audit Area	Total	Not Yet Due	Fully Implemented
Financial Sustainability	1	-	1
Business Continuity and Disaster Recovery	2	1	1
HR Policies	2	-	2
Total	**5**	**1**	**4**
Percentage of Total	**100%**	**20%**	**80%**

1. Executive Summary

Breakdown of Recommendations by status of implementation, from 2024/25 and earlier years



	Financial Sustainability	Business Continuity and Disaster Recovery	HR Policies
Not Yet Due		1	
Fully Implemented	1	1	2

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	1 December 2025
Closing meeting	5 December 2025
Draft report issued	12 December 2025
Receipt of management responses	16 January 2026
Final report issued	16 January 2026
Audit Committee	12 February 2026
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 and Head of Internal Audit	gg@wbg.co.uk
Director	Stephen Pringle	Director of Internal Audit	sp@wbg.co.uk
Manager	Siobhan Archibald	Internal Audit Manager	sma@wbg.co.uk
Auditor	Harris Andrews	Internal Auditor	haa@wbg.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

Not Yet Due Recommendations

A. Not Yet Due Recommendations

Business Impact Analysis (BIA), Business Continuity & Disaster Recovery, March 2025
Original Finding A Business Impact Analysis (BIA) is a critical component of a Business Continuity (BC) Plan as it helps identify and assess the potential impact of disruptions on an organisation's key functions. The BIA prioritises critical business functions, identifies dependencies on external partners, and evaluates how quickly each function must be restored to minimise operational disruption. This process is essential for understanding the potential risks and ensuring that resources are appropriately allocated for continuity planning. During our review, we found that the College has a well-documented and regularly updated BC Plan, with regular approval processes. However, the College lacks a formal documented BIA, despite having a clear understanding of its critical functions and local links with external partners, such as the NHS and local councils. The College has considered scenario planning, including additional premises and external partner co-ordination, but these considerations have not been formally documented in a structured BIA. The absence of a formal BIA means that the College is not fully assessing the potential impact of disruptions in a documented, systematic manner, which would feed into and improve the BC Plan. Following our root cause analysis, we identified that the lack of a formalised approach to BIAs has been resultant from the focus on other aspects of Business Continuity and operational pressures from staff in relation to their day-to-day responsibilities. Without a formalised and documented BIA, there is a risk that the College may not have a complete and accurate understanding of its critical business functions, dependencies, and recovery priorities. In the event of a disruption, this could lead to inefficiencies in recovery efforts, a delay in restoring essential services, or failure to prioritise resources effectively. Additionally, not having a documented BIA means that the BC Plan may not be fully aligned with the College's operational needs, increasing the risk of prolonged disruption.

A. Not Yet Due Recommendations

Business Impact Analysis (BIA), Business Continuity & Disaster Recovery, March 2025			
Original Recommendation We recommend that the College carry out a formal Business Impact Analysis (BIA) as part of its ongoing BC planning process. The BIA should document the critical business functions, dependencies on external partners, and recovery priorities for each area of the College, considering multiple campuses and external factors such as local councils and the NHS. The formalised BIA should be integrated into the next scheduled review of the BC Plan, helping to ensure that the College's continuity planning remains comprehensive and aligned with its operational needs.			
Ref	**Finding from our 2025/26 Follow Up**	**Grade**	**Recommendation**
1.	The College are due to implement a formal BIA by March 2026. After discussions with the key contacts at the College it was found that initial work has been completed towards this recommendation including the sourcing of BIA templates. The College are still on track to implement this by March 2026.	**Low**	We reiterate the original recommendation.

Appendix B

Grading Structure

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

Appendix C

Assignment Plan

C. 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 Committee with assurance that prior year recommendations are implemented within the expected timescales.

This review forms part of the 2025/26 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 review recommendations from audit reports issued to Borders College in the 2024/25 Academic Year and earlier years and gain audit evidence to assess whether these have been addressed by the College.

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.