Ayrshire College

**Joint Meeting of the Audit & Risk with People, Infrastructure & Finance Committees
to be held on Tuesday 18 November 2025 at 4.00pm
by Hybrid Attendance at Kilmarnock Campus and via Microsoft Teams**

AGENDA

1.   Welcome and Declarations of Interest

2.   Apologies

Part A – For discussion, decision and approval

2024 – 25 Financial Statements (8)

3.	2024-25 Audit and Risk Committee Annual Report	Paper 1 (R) JG

Internal Audit – Wbg (Wbg)

4.	2024-25 Credits / EMA / Student Funds Audit Reports	Paper 2 (P) SA
5.	2024-25 Internal Audit Annual Report	Paper 3 (P) SA

External Audit – Azets (8)

6.	2024-25 Audit Report to the BOM and Auditor General	Paper 4 (R) ARe
7.	2024-25 BOM Report and Financial Statements	Paper 5 (R) ARi
8.	Letter of Representation	Paper 6 (R) ARi

(C/P) Confirmed minutes will be published;
(P) Papers will be published on the College website;
(R) Papers will not be published for reasons of commercial sensitivity or for reasons of personal data confidentiality

Ayrshire College   *(Paper 2)*

Title of Meeting: **Joint Audit and Risk / People, Infrastructure and Finance Committee**

Date: **18 November 2025**

Subject: **2024-25 Credits / EMA / Student Support Funds Audit Reports**

Purpose: This paper presents the 2024-25 SFC student activity audit report (credits), Educational Maintenance Allowance (EMA) and Student Support Funds audit reports as part of the year end audit reporting suite.

Recommendation: The Joint Committee is requested to note the content of the report and consider the conclusion of the report when considering the Report and Financial Statements for the year ended 31 July 2025 (**Paper 5**).

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1   Executive Summary

As part of the 2024-25 Internal Audit Plan the auditors are required to undertake audits of the following areas:

a) Credits
   a. Mandatory review of the SFC Credit (student activity) return

b) Educational Maintenance Allowance
   a. Mandatory review of the awarding and payment of EMA

c) Student Support Funds
   a. Mandatory review of the awarding and payment of Scottish Funding Council (SFC) and Student Awards Agency for Scotland (SAAS) student support funds

The conclusion reached along with any recommendations for action are contained in the attached reports and are summarised below:

a) Credits Audit (Appendix 1)

Conclusion

"The College has reasonable procedures and controls over the collection of data for the credits return and assurance can be taken that the credits count for the College is not materially mis-stated. The systems used by the College are satisfactory.

The College's credit target for the academic year 2024/25, agreed between the SFC and the College, was 111,480. The Credits claimed for the year was 111,933, this was over the target."

Recommendations

There were no recommendations from the prior year, and the auditors did not make any recommendations in relation to 2024-25.

b) Educational Maintenance Allowance (Appendix 2)

Conclusion

"We have examined the books and records of Ayrshire College, including evidence of checks of 5% of applications and payments, with a sample size appropriate to the total number of applications, 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 (EMA) programme.

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

Recommendations

There were no recommendations from the prior year, and the auditors did not make any recommendations in relation to 2024-25.

c) Student Support Funds (Appendix 3)

Conclusion - SFC

"We have examined the records of Ayrshire 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 guidance issued by the Scottish Funding Council. We are satisfied that the systems and controls of the administration and disbursement of these funds are adequate. This resulted in a £19,115 underspend that will be returned to the Scottish Funding Council."

Conclusion – SAAS

"We have examined the books and records of Ayrshire 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 above is in agreement with the underlying records and in our opinion is in accordance with the relative statutory requirements. We are satisfied that the systems and controls of the administration and disbursement of these funds are adequate."

Recommendations

There were no recommendations from the prior year, and the auditors did not make any recommendations in relation to 2024-25

2 Associated Risks

There are no further risks required to be considered because of this report.

3 Equality and Diversity Impact Assessment

An EDIA is not applicable to this paper given the subject matter.

4 Publication

This paper will be published on the College website.

Siobhan Archibald
Manager
Wbg

18 November 2025

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Ayrshire College

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 Ayrshire 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. Every sound system 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.

Introduction

A review of the College's student data returns has been carried out in accordance with the "Credit Guidance for Colleges AY 2024-25" issued by the Scottish Funding Council (SFC) on 26 June 2024 and the "FES Return and Audit Guidance 2024-25" issued 13 August 2025.

The audit certificate, along with the College certificate, was submitted to the Scottish Funding Council on 3 October 2025. This report was submitted to the SFC on 3 October 2025.

Scope of Review

The audit procedures have been designed to ensure the College has adhered to the "Credit Guidance for Colleges AY 2024/25". As planned, the audit took 6 days to complete comprising fieldwork carried out by the Internal Audit Senior and a review by both the Director and the Partner. All staff involved in the audit had relevant experience.

Our audit sample was selected using analytical techniques and covered a minimum of 5% of the total Credits count with a minimum of 10 courses being tested. Additional sample checks were also carried out on Credits relating to Open/Distance Learning, Infill, Credits spanning academic years, non-accredited placements, Fee Waiver, and non-fundable courses/students.

The audit process of reviewing the returns being submitted was carried out using the following processes:
- A review of the systems operated by the College for the return;
- Appropriate walkthrough and compliance checks for the relevant areas;
- Analytical review techniques to ensure testing was undertaken in the most appropriate areas;
- Reviewing the risk areas, issues raised in 2023/24 and the specific issues for 2024/25 highlighted in the audit guidance;
- Sample checking the data included in the return; and
- Specifically tailored Credits audit programmes.

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Summary of Recommendations

Current Year recommendations

Grading of Recommendations	High	Medium	Low	Total
Credits	-	-	-	-

As can be seen from the above table there were no recommendations raised.

Prior Year recommendations

Grading of recommendations	High	Medium	Low	Total
Fully Implemented	-	-	-	-
Total	-	-	-	-

Conclusion

Overall conclusion

The audit certificate in respect of the 2024/25 return included within Appendix A, is unqualified and is in the format set out in the SFC audit guidance. The audit certificate was submitted to SFC on 3 October 2025.

Overall Conclusion:
The College has reasonable procedures and controls over the collection of data for the credits return and assurance can be taken that the credits count for the College is not materially mis-stated. The systems used by the College are satisfactory. The College's credit target for the academic year 2024/25, agreed between the SFC and the College, was 111,480. The Credits claimed for the year was 111,933, this was over the target.

	Target	Claimed	Variance
Total Credits	111,480	111,933	453

As can be seen from the above table, the College has exceeded its credits target for 2024/25.

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 2024.

Credits Audit 2024/25

Benchmarking	High	Medium	Low	Total
Average number of recommendations in similar audits	-	1	1	2
Number of recommendations at Ayrshire College	-	-	-	-

From the table above it can be seen that the College has a lower number of recommendations compared to those colleges it has been benchmarked against.

Non-Fundable Activity

We reviewed, in full, with the College to confirm that all activity which has been classified as fundable has been correctly classified. We reviewed non-fundable activity to assess whether this is complete. ***From our review, we found that all courses were accurately treated as either fundable or non-fundable by the College.***

Spanning Programmes

We reviewed in full all courses which spanned the academic year to ensure the College had deferred until next year all credits for courses spanning 2023/24 to 2024/25. ***Our testing concluded that credits have been claimed in the correct period.***

Non-Fundable and Fundable Students

We reviewed in full all students classified as non-fundable by the College to confirm accuracy and completeness. Testing was performed to ensure that credits values have only been allocated to fundable students. ***Our testing indicated that the College are classifying its fundable and non-fundable students correctly.***

Full-Time and Other than Full-Time Classification

A sample of 20 courses, covering of total credits, were randomly selected, 10 from further education full-time and 10 from part-time higher education. Testing was undertaken to assess if these were correctly classified. ***We can conclude that all courses tested were correctly classified.***

Higher Education and Further Education Classification

The sample selected was the same as the above test. ***Our audit work indicated that courses had been correctly classified.***

Infill Students

The College have a separate class code beginning with an 'I' to illustrate an infill course. The word 'infill' also appears in the title of the course.

We tested a sample of 10 students treated as infilling into courses to ensure that they had been correctly classified, and that Credits had been calculated correctly. **No issues found from our testing.**

We also reviewed in full the students the College were classifying as infill students to confirm that credits were only being claimed for the subjects the students had undertaken. **No issues were found from our testing.**

Attendance Criteria

For our sample of 10 courses tested, we tested to assess whether the College had correctly calculated and recorded the required date. **We can confirm that the College has calculated course required dates in line with the guidance.**

For a total of 10 students, we assessed whether the College had obtained a valid enrolment form and that where credits had been claimed, the student had attended past the correct required date. **We can confirm that for each student in our sample an appropriate enrolment record was available.**

We traced a total of 10 students to attendance registers to assess whether they had attended beyond the required date, where credits had been claimed for the student. **We can confirm that for each student in our sample was appropriately traced to the attendance register.**

We also performed testing on a sample of 10 withdrawals to assess whether these had been processed in accordance with SFC guidance. **No issues were identified.**

Credits Count

For our sample of 10 courses, we recalculated the individual credits for each of these courses to confirm the correct value had been allocated by the College. We reviewed the attendance of the students on these courses to ensure that credits were only attributed to those students who had attended beyond the required date and who were fundable students. **We found that the College has correctly calculated the Credits.**

Maximum Credits Claim

All students with more than one enrolment were identified and investigated to ensure credits were not overclaimed. ***Our testing found that there were no overclaims. We also completed a review of related study courses and found no issues during this testing.***

Fee Waiver

A random sample of 10 fee waived students were selected. We checked to ensure that their eligibility for a fee waiver had been assessed appropriately by the College. This was done by tracing to an enrolment form and where appropriate a fee waiver form and relevant eligibility documentation. We also assessed whether the students had been allocated to the most appropriate fee waiver category. ***We found that there were no issues with fee waiver students.***

Distance Learning

A sample of 10 students from distance learning courses were selected and traced to an enrolment report to ensure the students had a Scottish post code and that the College were correctly claiming credits. We also traced to evidence of achievement/progression. ***We can confirm that there were no issues noted from our testing.***

Non-accredited Placements

A random sample of 10 students with non-accredited placements as part of their study programme were selected and traced to the students' enrolment form and evidence of attendance. We also checked the calculation of the credits for the non-accredited placements to ensure the College were claiming these in line with the SFC requirements. ***We can confirm that there were no issues noted from our testing.***

Collaborative Provision

We confirmed with the College that no Collaborative Provision was undertaken in 2024/25.

The table below details the actual dates for our fieldwork and the reporting on the audit area under review.

Audit stage	Date
Fieldwork start	15 September 2025
Closing meeting	24 September 2025
Draft report issued	1 October 2025
Receipt of management responses	3 October 2025
Final report issued	3 October 2025
Submission to the SFC	3 October 2025
Audit Committee	2 December 2025
Number of audit days	6

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

Wbg Services LLP			
Partner	Graham Gillespie	Partner & 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
Senior	Colin McNeill	Internal Audit Senior	cmn@wbg.co.uk
Auditor	Aaron McGookin	Internal Auditor	am@wbg.co.uk

Ayrshire College			
Key Contact	Richard Simson	Head of Business Intelligence and Information Systems	Richard.simson@ayrshire.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.			

Auditors' Report to the members of the Board of Management of Ayrshire College

We have audited the FES return which has been prepared by Ayrshire College under the SFC's Credits Guidance for colleges issued 26 June 2024 and which has been confirmed as being free from material misstatement by the College's Principal in her Certificate dated 3rd October 2024

We conducted our audit in accordance with the 2024-25 audit guidance for colleges. The audit included an examination of the procedures and controls relevant to the collection and recording of student data. We evaluated the adequacy of these controls in ensuring the accuracy of data. It also included examination of evidence relevant to the figures recorded in the student data returns. We obtained sufficient evidence to give us reasonable assurance that the returns are free from material misstatement.

In our opinion:
| The student data returns have been compiled in accordance with all relevant guidance;
| Adequate procedures are in place to ensure the accurate collection and recording of the data; and
| We can provide reasonable assurance that the FES return is free from material misstatement.

Signature   Wbg Services LLP

Date   3 October 2025
Name of Audit Firm   Wbg Services LLP
Contact Name   Graham Gillespie
Contact telephone number   0141 566 7000.
Date FES returned   3 October 2025

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The table below highlights the value of credit errors that the auditor found during the course of the audit and notes that these errors were subsequently corrected in the SFC FES return.

Summary of Error	Number of Raw Credits	Adjusted/Unadjusted in FES Return
Total	N/A	

For each recommendation, we assign a grading either as High, Medium or Low priority depending on 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 & Risk 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.

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Ayrshire College

Internal Audit 2024/25

Education Maintenance Allowance

September 2025

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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.

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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 2025.

The audit certificate was submitted to the Scottish Funding Council (SFC) on 3 October 2025.

Summary of Recommendations

Current Year Recommendations	High	Medium	Low	Total
EMA Audit 2024/25	-	-	-	-

Prior Year Recommendations	High	Medium	Low	Total
There were no recommendations made on the EMA Audit 2023/24.				

1. Executive Summary

Conclusion

Overall Conclusion:
We have examined the books and records of Ayrshire College, including evidence of checks of 5% of applications and payments, with a sample size appropriate to the total number of applications, 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 (EMA) 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 2025.

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

Wbg Services LLP			
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	Colin McNeill	Internal Audit Senior	cmn@wbg.co.uk
Auditor	Venus Lui	Internal Auditor	vl@wbg.co.uk

Ayrshire College			
Key contacts:	Louise Park	Head of Student Funding	louise.park@ayrshire.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. 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	26 August 2025
Closing meeting	1 September 2025
Draft report issued	25 September 2025
Receipt of management responses	29 September 2025
Final report issued	1 October 2025
Submission to Scottish Funding Council	3 October 2025
Audit & Risk Committee	12 December 2025
No of audit days	4

A. Audit Certificate

Name of College: Ayrshire College

Auditors' Report to the Scottish Funding Council (SFC) for the period from 1 August 2024 to 31 July 2025.

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 applications, 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 (subject to the reservations set out in this report 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 (EMA) programme.

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

Signature:

Name of Firm: Wbg Services LLP

Date: 3 October 2025

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	Risk	Classification
High	High Risk	Major weakness that we consider needs to be brought to the attention of the 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

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Ayrshire College

Internal Audit 2024/25

Student Support Funds

September 2025

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1. Executive Summary

Introduction

This report has been prepared following the conclusion of our audit of the Student Support Funds for the year ended 31 July 2025.

The audit certificate for the Scottish Funding Council (SFC) funds was submitted on 3 October 2025.

The audited signed return for the HE Discretionary fund was submitted to the Students Award Agency for Scotland (SAAS) on 3 October 2025.

Summary of Recommendations

Current Year Recommendations	High	Medium	Low	Total
SSF Audit 2024/25	-	-	-	-

Prior Year Recommendations	High	Medium	Low	Total
There were no recommendations raised in 2023/24.				

1. Executive Summary

Conclusion

Overall Conclusion:
We have examined the records of Ayrshire 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 guidance issued by the Scottish Funding Council. We are satisfied that the systems and controls of the administration and disbursement of these funds are adequate. This resulted in a £19,115 underspend that will be returned to the Scottish Funding Council.

Summary of Income & Expenditure

The table below provides a summary of the income and expenditure for each of the funds and provides details of the fund position at the end of the year. Further detail on the expenditure incurred by fund can be found at Appendix A.

	SFC				SAAS
	Bursary	**Discretionary**	**Childcare**	**Total**	**HE Discretionary**
Income	£8,290,138	£1,669,895	£402,640	**£10,362,674**	**£129,203**
Expenditure	£8,357,167	£1,680,722	£305,670	**£10,343,559**	**(£129,203)**
Under/(Over) Spend	**(£67,029)**	**(£10,827)**	**£96,970**	**£19,115**	**-**

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 2024.

Benchmarking	High	Medium	Low	Total
Average no. recommendations in similar audits	-	1	1	2
Recommendations at Ayrshire 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

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

Audit Stage	Date
Fieldwork start	25 August 2025
Closing meeting	1 September 2025
Draft report issued	25 September 2025
Receipt of management responses	29 September 2025
Final report issued	1 October 2025
Submission to Scottish Funding Council	3 October 2025
Audit & Risk Committee	12 December 2025
No of audit days	4

3. Audit Arrangements

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

Wbg Services LLP			
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	Colin McNeill	Internal Audit Senior	cmn@wbg.co.uk
Auditor	Venus Lui	Internal Auditor	vl@wbg.co.uk

Ayrshire College			
Key contacts:	Louise Park	Head of Student Funding	louise.park@ayrshire.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.

A. Summary of Returns

Scottish Funding Council Return

Bursary Student Numbers & Expenditure								
	Students u18		Parentally Supported (At Home)		Parentally Supported (Away from Home)		Self-Supporting	
	Students	£	Students	£	Students	£	Students	£
Maintenance Allowances:	-	-	719	1,976,235	11	34,266	343	1,331,049
Residence Costs	-	-	-	-	-	-	-	-
Dependents Allowance	-	-	-	-	-	-	-	-
Study Expenses Allowance	-	-	576	104,709	9	1,376	284	49,928
Travel Expenses Allowance	-	-	82	48,347	5	2,479	211	103,062
Additional Support Needs Allowance	-	-	154	120,345	4	8,505	60	9,030
Total Numbers & Spend	**-**	**-**	**1,531**	**2,249,685**	**29**	**46,625**	**898**	**1,493,025**

A. Summary of Returns

Scottish Funding Council Return

Bursary Student Numbers & Expenditure						
	Care Experienced		**Universal Credit**		**Non-Maintenance**	
	Students	**£**	**Students**	**£**	**Students**	**£**
Maintenance Allowances:	554	3,674,416	330	258,468	-	-
Residence Costs	-	-	-	-	-	-
Dependents Allowance	-	-	-	-	-	-
Study Expenses Allowance	473	81,704	289	46,418	979	168,268
Travel Expenses Allowance	51	32,674	173	71,716	62	44,799
Additional Support Needs Allowance	176	62,762	78	60,749	155	60,402
Total Numbers & Spend	**1,254**	**3,851,556**	**870**	**442,814**	**1,196**	**273,462**
Total Bursary Funds Spent in 2024/25						**8,357,167**

A. Summary of Returns

Scottish Funding Council Return

FE Discretionary Fund		
	Total Numbers & Spend	
	Students	**£**
Students u18	-	-
Parentally Supported (At Home)	580	402,528
Parentally Supported (Away from Home)	9	17,942
Self-Supporting	296	465,376
Care Experienced	440	413,237
Universal Credit	150	120,251
Non-Maintenance	448	261,388
Total FE Discretionary Fund Spent in 2024/25	-	**1,680,722**

A. Summary of Returns

Scottish Funding Council Return

Childcare Fund Expenditure		
Childcare Fund		
	Students	**£**
At FE Level	67	206,048
At HE Level	27	99,622
Total	**94**	**305,670**

Auditors' Report

We have examined the books and records of the Ayrshire 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 Scottish Funding Council conditions. We are satisfied that the systems and controls of the administration and disbursement of these funds are adequate.

Principal's Signature:

Auditors' Name: Wbg Services LLP

Auditors' Signature:

Date of Signature: 3 October 2025

A. Summary of Returns

Student Awards Agency for Scotland (SAAS)

	HE Discretionary Fund			
	HE Discretionary Fund £	**Childcare Fund (HE Only) £**	**International Student Fund £**	**Total £**
Income				
Allocation received for academic year 2024/25 – 1st instalment October 2024	83,431	-	2,640	**86,125**
Allocation received for academic year 2024/25 – 2nd instalment April 2025	43,078	-	-	**43,078**
Bank interest received in the academic year 2024/25	-	-	-	**-**
Virement/Transfer from other funds (HE only)	2,640	-	(2,640)	**-**
Total funds available for disbursement	**129,203**	**-**	**-**	**129,203**
Expenditure				
Funds disbursed	129,203	-	-	**129,203**
Remaining allocation from 2024/25; funds to be returned to SAAS by 31 October 2025	-	-	-	**-**
Total disbursement of funds	**129,203**	**-**	**-**	**129,203**

A. Summary of Returns

Students Award Agency for Scotland (SAAS)

Auditors' Report
We have examined the books and records of Ayrshire 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 above is in agreement with the underlying records and in our opinion is in accordance with the relative statutory requirements. We are satisfied that the systems and controls of the administration and disbursement of these funds are adequate.

Appointed Auditor: Wbg Services LLP   Date: 3 October 2025

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	Risk	Classification
High	High Risk	Major weakness that we consider needs to be brought to the attention of the 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

Ayrshire College (*Paper 3*)

Title of Meeting:	**Joint Audit and Risk / People, Infrastructure and Finance Committee**
Date:	**18 November 2025**
Subject:	**Internal Audit Annual Report**
Purpose:	This paper presents the 2024-25 Internal Audit Annual Report as part of the annual assurance suite of reports to the Committee.
Recommendation:	The Joint Committee is requested to consider the 2024-25 Internal Audit Annual Report.

1 Executive Summary

The [Audit and Assurance Committee Handbook](#) states that the role of the Audit and Assurance Committee in relation to Internal Audit should include advising the Accounting Officer and Board on the annual Internal Audit opinion and annual report.

A primary purpose of the work on Internal Audit is to support the Audit and Risk Committee discharge its responsibility for preparing an annual report that should include the Committee's opinion of the adequacy and effectiveness of the College's arrangements for risk management, control and governance, sustainability, economy, efficiency and effectiveness (value for money) and the quality of data submitted to regulatory bodies.

The Annual Report provides a detailed summary of the controls they have tested and their audit conclusion on the effectiveness of their operation within the areas the Committee is required to report on and to support the Audit and Risk Committee with its responsibilities to provide an opinion.

The Internal Audit Annual report records the following overall opinion:

> *"We are satisfied that sufficient internal audit work has been undertaken to allow us to draw a conclusion as to the adequacy and effectiveness of the College's risk management, control and governance processes.*
>
> *In our opinion, Ayrshire College did have adequate and effective risk management, control and governance processes to manage its achievement of the College's objectives at the time of our audit work. In our opinion, the College has proper arrangements to promote and secure value for money.*

Our fieldwork was carried out between November 2024 and September 2025, and we have not undertaken any further internal audit assignments at the time of this report."

The 2024-25 plan included the delivery of nine assignments and was delivered as agreed and without amendment. The internal auditors have raised 2 management recommendations during their reviews with no high priority recommendations.

As noted in the Rolling Audit Action Plan presented to the Audit and Risk Committee, the College maintains a record of the management recommendations raised by both the internal and external auditors. The progress to address these actions is reported to each meeting of the Audit and Risk Committee.

2   Associated Risks

There are no further risks required to be considered because of this report.

3   Equality and Diversity Impact Assessment

An EDIA is not applicable to this paper given the subject matter.

4   Publication

This paper will be published on the College website.

Siobhan Archibald
Manager
Wbg

18 November 2025

wbg

Ayrshire College

Internal Audit 2024/25

Annual Report

October 2025

Table of Contents

1. Introduction

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

We conduct our activity within the overarching framework of the Institute of Internal Auditors, including the Global Internal Audit Standards (GIAS) and Topical Requirements, and the Application Note regarding the adoption of GIAS in the UK Public Sector. The Application Note replaces the Public Sector Internal Audit Standards from 1 April 2025.

In line with these Standards, we have developed a robust quality assurance process to ensure that each of our activities and reports are of a high and consistent standard. Quality assurance activity includes interim reviews during the internal audit process and an extensive final review before reports are issued to clients and other stakeholders. We actively seek to improve the services we deliver through a programme of CPD, training, networking and engagement with internal peers, as well as by piloting new ways of working.

We had an extensive external assessment undertaken against these standards in November 2023. The assessment was undertaken by the Chartered Institute of Internal Auditors who concluded:

"We are pleased to report that the Wbg Services LLP (formerly Wylie & Bisset LLP) Internal Audit Department conforms with the Standards, as well as the Definition of Internal Auditing, Core Principles and the Code of Ethics, which form the mandatory elements of the Public Sector Internal Audit Standards (PSIAS) and the Institute of Internal Auditors' International Professional Practices Framework (IPPF), the globally recognised standard of quality in Internal Auditing".

The Chartered Institute of Internal Auditors also highlighted our compliance with all 64 standards of the IPPF.

This Annual Report should be considered by the Audit & Risk Committee prior to the Committee submitting their annual report to the Board.

A copy of this report requires to be submitted to the Scottish Funding Council.

2. Executive Summary

Overall Opinion

We are satisfied that sufficient internal audit work has been undertaken to allow us to draw a conclusion as to the adequacy and effectiveness of the College's risk management, control and governance processes.

In our opinion, Ayrshire College did have adequate and effective risk management, control and governance processes to manage its achievement of the College's objectives at the time of our audit work. In our opinion, the College has proper arrangements to promote and secure value for money.

Our fieldwork was carried out between November 2024 and September 2025, and we have not undertaken any further internal audit assignments at the time of this report.

The overall findings and conclusion of each report are highlighted in Section 3. As can be seen from the summary in Section 3 all areas included in the Operational Plan for 2024/25 have been completed.

In forming our opinion, we have carried out the following work:

| A review and appraisal of financial and other controls operated by the College;

| A review of the established policies and procedures adopted by the College;

| An assessment of whether or not the internal controls are reliable as a basis for producing the financial accounts;

| A review of accounting and other information provided to management for decision making;

| Compliance and substantive audit testing where appropriate; and

| A review of the College's procedures in place to promote and secure value for money.

The analysis of performance indicators for the internal audit work carried out in the year is included at section 5.

2. Executive Summary (continued)

Basis of Opinion

As the Head of Internal Audit at Ayrshire College we are required to provide the Audit & Risk Committee with an opinion on the adequacy and effectiveness of the College's risk management, control and governance processes.

In giving our opinion, it should be noted that assurance can never be absolute. The most that we can provide to the Audit & Risk Committee is reasonable assurance that there are no major weaknesses in the College's risk management, control and governance processes.

In assessing the level of assurance given, we have considered:

| All audits undertaken during the year ended 31 July 2025;

| Any follow-up action taken in respect of audits from previous periods;

| Any significant recommendations not accepted by management and the consequent risks;

| The effects of any significant changes in the College's objectives or systems;

| Any limitations which may have been placed on the scope of internal audit;

| Matters arising from previous reports to the Audit & Risk Committee;

| The extent to which resource constraints may impinge on the Head of Internal Audit's ability to meet the full audit needs of the College;

| What proportion of the College's audit need has been covered to date; and

| The outcomes of our quality assurance processes.

3. Audit Findings

Summary of Work Undertaken

The following table summarises the audit work undertaken in 2024/25. The grading structure used in our reports can be found in Appendix A.

Area	Planned Days	Actual Days	Status	Overall Conclusion	High Priority Recommendations	Medium Priority Recommendations	Low Priority Recommendations
GDPR/ FOI	6	6	Complete	**Strong**	-	-	-
Payroll	5	5	Complete	**Strong**	-	-	1
Staff Recruitment	5	5	Complete	**Strong**	-	-	1
IT Systems Administration	5	5	Complete	**Strong**	-	-	-
Student Recruitment	6	6	Complete	**Strong**	-	-	-
Overall Financial Controls	4	4	Complete	**Strong**	-	-	-
Credits	6	6	Complete	**n/a**	-	-	-
SSF	4	4	Complete	**n/a**	-	-	-
EMA	4	4	Complete	**n/a**	-	-	-
Follow Up Review	4	4	Complete	**Strong**	-	-	-
Audit Management	6	6	n/a	n/a	n/a	n/a	n/a
Total	**55**	**55**	**-**	**-**	**-**	**-**	**2**

4. 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 previous financial year.

Area	High	Medium	Low	Total	
GDPR/ FOI					
Average number of recommendations in similar audits	-	1	2	3	
Recommendations at Ayrshire College	-	-	-	-	
Payroll					
Average number of recommendations in similar audits	-	1	1	2	
Recommendations at Ayrshire College	-	-	1	1	
Staff Recruitment					
Average number of recommendations in similar audits	-	2	2	4	
Recommendations at Ayrshire College	-	-	1	1	
IT Systems Administration					
Average number of recommendations in similar audits	-	3	1	4	
Recommendations at Ayrshire College	-	-	-	-	
Total c/f					
Average number of recommendations in similar audits c/f	**-**	**7**	**6**	**13**	
Recommendations at Ayrshire College c/f	**-**	**-**	**2**	**2**	

4. Benchmarking (continued)

Area	High	Medium	Low	Total	
Total b/f					
Average number of recommendations in similar audits c/f	**-**	**7**	**6**	**13**	
Recommendations at Ayrshire College c/f	**-**	**-**	**2**	**2**	
Student Recruitment					
Average number of recommendations in similar audits	-	-	1	1	↩
Recommendations at Ayrshire College	-	-	-	-	
Overall Financial Controls					
Average number of recommendations in similar audits	-	1	1	2	↩
Recommendations at Ayrshire College	-	-	-	-	
Total					
Average number of recommendations in similar audits	**-**	**8**	**8**	**16**	↩
Recommendations at Ayrshire College	**-**	**-**	**2**	**2**	

As noted above, Ayrshire College has a lower number of recommendations in comparison with the colleges it has been benchmarked against.

4. Benchmarking (continued)

For each review, we benchmark the number and ranking of recommendations made for audits of a similar nature in the previous financial year. Please refer to the key below for an explanation of the benchmarking symbols used:

Key	
	Indicates a lower number of recommendations in comparison with the colleges it has been benchmarked against.
	Indicates a similar number of recommendations in comparison with the colleges it has been benchmarked against.
	Indicates a higher number of recommendations in comparison with the colleges it has been benchmarked against.

4. Benchmarking (continued)

We have set out below in graphical format an analysis of the Benchmarking totals by grade of recommendation made.
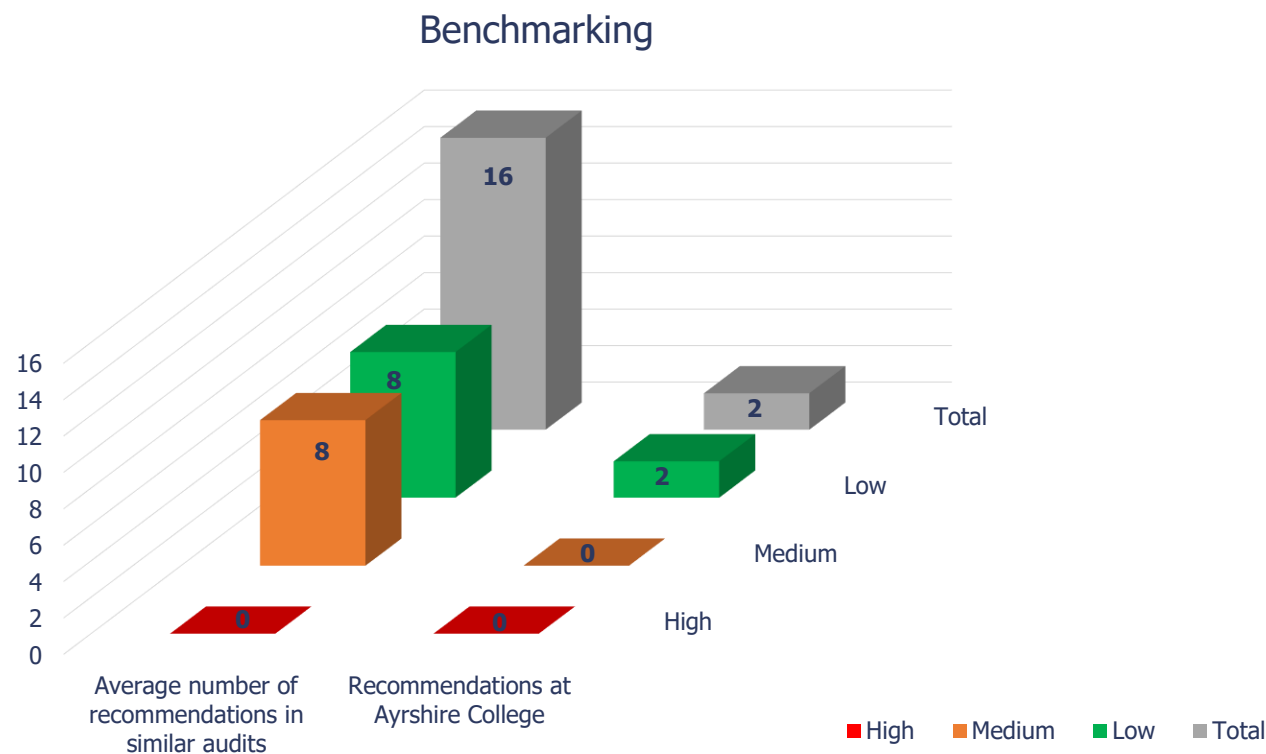
As noted above, Ayrshire College has a lower number of recommendations in comparison with the colleges it has been benchmarked against.

5. Key Performance Indicators

Performance Indicator	Target	Actual
Internal audit days completed in line with agreed timetable and days allocation	100%	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%	100%
Draft reports issued within 10 working days of exit meeting	100%	100%
Management provide responses to draft reports within 15 working days of receipt of draft reports	100%	100%
Final reports issued within 5 working days of receipt of management responses	100%	100%
Recommendations accepted by management	100%	100%
Draft annual internal audit report to be provided by 31 December each year	100%	100%
Attendance at Audit & Risk Committee meetings by a senior member of staff	100%	100%
Suitably experienced staff used on all assignments	100%	100%

Appendix A

Grading Structure

A. Grading Structure

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

Assurance	Classification
Strong	Controls satisfactory, no major weaknesses found, no or only 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:

Assurance	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 Ayrshire College as a matter of urgency
Medium	Medium risk	Significant issue or weakness which should be addressed by Ayrshire College as soon as possible
Low	Low risk	Minor issue or weakness reported where management may wish to consider our recommendation

Use of Resources to Improve Outcomes	Auditor judgement
Audited bodies need to make best use of their resources to meet stated outcomes and improvement objectives, through effective planning and working with strategic partners and communities. This includes demonstrating economy, efficiency, and effectiveness through the use of financial and other resources and reporting performance against outcomes.	Risks exist to achievement of operational objectives
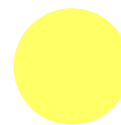
2024/25 was another challenging year, however the College achieved its credit target for the second consecutive year.

The College reports on key measures which covers student data. The College's performance against key performance indicators for academic year 2024/25 shows that for the student credits target of 111,480 was achieved.

The College has included KPI information in its annual report and accounts together with explanatory narrative. The Board is now receiving a focused set of indicators with accompanying explanations presented at the relevant Committees to support them in making informed decisions.

Definitions

We use the following gradings to provide an overall assessment of the arrangements in place as they relate to the wider scope areas. The text provides a guide to the key criteria we use in the assessment, although not all of the criteria may exist in every case.

There is a fundamental absence or failure of arrangements

There is no evidence to support necessary improvement

Substantial unmitigated risks affect achievement of corporate objectives.

Arrangements are inadequate or ineffective

Pace and depth of improvement is slow / needs to extend further

Significant unmitigated risks affect the achievement of corporate objectives

No major weaknesses in arrangements but scope for improvement exists

Pace and depth of improvement are adequate

Risks exist to the achievement of operational objectives

Effective and appropriate arrangements are in place

Pace and depth of improvement are effective

Risks to the achievement of objectives are managed