

(Insert North Highland College letterhead)

Our Ref: IH/NHC/2023

Date: XX/03/2025

Dear Ian Howse,

This representation letter is provided in connection with your audit of the financial statements of North Highland College ('the College') for the year ended 31 July 2023 for the purpose of expressing an opinion as to whether the financial statements give a true and fair view of the financial position of the College as of 31 July 2023 and of the results of its operations, other comprehensive net expenditure and its cash flows for the year then ended in accordance with the applicable accounting framework as interpreted by the Accounts Direction for Scotland's Colleges 2022-23 issued by the Scottish Funding Council (SFC).

In addition to the above, this representation letter is provided in connection with your audit of the other information in the Annual Report and Accounts, for the purposes set out in the Code of Audit Practice 2021.

We are aware that it is an offence to mislead an auditor of a public body.

On behalf of the College, I confirm to the best of my knowledge and belief, the following representations.

Financial statements

1. We understand and have fulfilled our responsibilities for the preparation of the financial statements in accordance with the applicable financial reporting framework, as set out in the accounts direction issued by the Scottish Funding Council and in accordance with, Section 21 of the Public Finance and Accountability (Scotland) Act 2000, which give a true and fair view, as set out in the terms of the audit engagement letter.
2. The methods, the data, and the significant assumptions used by us in making accounting estimates and their related disclosures are appropriate to achieve recognition, measurement or disclosure that is reasonable in the context of the applicable financial reporting framework.
3. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of FRS102 Section 33 "Related party disclosures".
4. All events subsequent to the date of the financial statements and for which the applicable financial reporting framework requires adjustment of or disclosure have been adjusted or disclosed.
5. The effects of uncorrected misstatements and disclosure deficiencies are immaterial, both individually and in aggregate, to the financial statements as a whole. We confirm that the list included in your ISA 260 report to those charged with governance is a complete list of the uncorrected misstatements and disclosure deficiencies identified.
6. We confirm that the financial statements have been prepared on the going concern basis and disclose in accordance with IAS 1 all matters of which we are aware that are relevant to the College's ability to continue as a going concern, including principal conditions or events and our plans. We do not intend to cease operations as we consider we have realistic alternatives to doing so. We are not aware of any

material uncertainties related to events or conditions that may cast significant doubt upon the College's ability to continue as a going concern. We confirm the completeness of the information provided regarding events and conditions relating to going concern at the date of approval of the financial statements, including our plans for future actions.

7. We confirm going concern assessment is in line with the Government Financial Reporting, as we confirm continued provision of the services.
8. We have reconsidered the remaining useful lives of the property, plant and equipment and confirm that the present rates of depreciation are appropriate to amortise the cost less residual value over the remaining useful lives.
9. We are not aware of events or changes in circumstances occurring during the period which indicate that the carrying amount of property, plant and equipment may not be recoverable.
10. With respect to accounting estimates, we confirm:
 - the measurement processes, including related assumptions and models used to determine accounting estimates in the context of the applicable financial reporting framework are appropriate and have been applied consistently;
 - the assumptions appropriately reflect our intent and ability to carry out specific courses of action on behalf of the College where relevant to the accounting estimates and disclosures;
 - the disclosures related to accounting estimates under the College's applicable financial reporting framework are complete and appropriate; and
 - there have been no subsequent events that require adjustment to the accounting estimates and disclosures included in the financial statements.
11. We confirm that we consider the depreciated historic cost is an appropriate proxy for the fair value of non-property assets and are not aware of any circumstances that would indicate that these assets require revaluation.
12. We confirm that the provisions included within the financial statements are our best estimate of the liability due by the College.
13. We confirm that all of the disclosures relating to sections of the Annual Report and Accounts which are considered 'other information' as set out in the Code of Audit Practice 2021 have been prepared in accordance with relevant legislation and guidance.
14. We confirm that:
 - all retirement benefits and schemes, including UK, foreign, funded or unfunded, approved or unapproved, contractual or implicit have been identified and properly accounted for;
 - all settlements and curtailments have been identified and properly accounted for;
 - all events which relate to the determination of pension liabilities have been brought to the actuary's attention;

- the actuarial assumptions underlying the valuation of the scheme liabilities (including the discount rate used) accord with the directors' best estimates of the future events that will affect the cost of retirement benefits and are consistent with our knowledge of the business;
 - the actuary's calculations have been based on complete and up to date member data as far as appropriate regarding the adopted methodology; and
 - the amounts included in the financial statements derived from the work of the actuary are appropriate.
15. We confirm that we have appropriately discharged our responsibility for the regularity of transactions.
16. We confirm that there is no unprovided claw back of Scottish Funding Council (SFC) or Universities of Highlands and Islands (UHI) grants for the year ended 31 July 2023 or in respect of any previous year.
17. We confirm that income has been applied in accordance with the College's statutes and, where appropriate, the Accounts Direction and any other terms and conditions attached to them.
18. We confirm that all income received from SFC or UHI, grants and income for specific purposes and from other restricted funds administered by the College have been applied for the purposes for which they relate.
19. We have considered the HMRC guidance issued to Higher Education Institutions following the Finance Act 2006 and based on our analysis of income and costs between primary and not primary purpose activities we are satisfied that no tax provision is needed in the financial statements.

Information provided

20. We have provided you with all relevant information and access as agreed in the terms of the audit engagement letter with Audit Scotland.
21. All transactions have been recorded and are reflected in the financial statements and the underlying accounting records.
22. We acknowledge our responsibilities for the design, implementation and maintenance of internal control to prevent and detect fraud and error. We are not aware of any deficiencies in internal control of which you should be aware.
17. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
18. We have disclosed to you all information in relation to fraud or suspected fraud that we are aware of and that affects the College or group and involves:
- (i) management;
 - (ii) employees who have significant roles in internal control; or
 - (iii) others where the fraud could have a material effect on the financial statements.
19. We are not aware of any fraud or suspected fraud that affect the College and involve:
- (i) Management;
 - (ii) Employees who have significant roles in internal control; or

- (iii) Others where the fraud could have a material effect on the financial statements.
20. We are not aware of any instances of non-compliance, or suspected non-compliance, with laws, regulations, and contractual agreements whose effects should be considered when preparing financial statements.
21. We have disclosed to you the identity of the College's related parties and all the related party relationships and transactions of which we are aware.
22. No claims in connection with litigation have been or are expected to be received.
23. We have no plans or intentions that may materially affect the carrying value or classification of assets and liabilities reflected in the financial statements.
24. We confirm that:
- (i) we consider that the College has appropriate processes to prevent and identify any cyber breaches other than those that are clearly inconsequential; and
 - (ii) we have disclosed to you all cyber breaches of which we are aware that have resulted in more than inconsequential unauthorised access of data, applications, services, networks and/or devices.
25. All minutes of Board and Committee meetings during and since the financial year have been made available to you.
26. We have drawn to your attention all correspondence and notes of meetings with regulators.

We confirm that the above representations are made on the basis of adequate enquiries of management and staff (and where appropriate, inspection of evidence) sufficient to satisfy ourselves that we can properly make each of the above representations to you.

Yours faithfully

Signed as Accountable Officer, for and on behalf of North Highland College