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AUDIT COMMITTEE REPORT

Subject: Student Support Funds 2016-17	**Purpose:** **For Approval** ☒ **For Discussion** ☐ **For Information** ☐
Prepared by: Peter D Smith, Vice Principal – Finance and Resources	**Date:** 17 November 2017

Purpose: To consider the audit report on the College's Student Support Funds 2016-17

Linked to Strategic Goal 2: Deliver successful outcomes for all our learners.

Executive Summary:
The audit report on the management of the College's Student Support Funds is attached.

The report has no recommendations for action and confirms that the audit certificate was submitted to the Scottish Funding Council (SFC) by 29 September 2017.

Recommendation: Committee consider and approve the findings of the report.

Previous Committee Approvals: n/a

For publication ☒	**For publication with redactions** ☐	**Not for publication** ☐

Wylie+Bisset
Chartered Accountants, Business & Tax Advisers

Borders College

Student Support Funds

2016/17

September 2017

TABLE OF CONTENTS

Section	Page
1. Executive Summary	3
2. Benchmarking	5
3. Audit Arrangements	6
Appendices	
A Summary of Returns	9
C Grading Structure	11

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

Introduction

This report has been prepared following the conclusion of our audit of the "Student Support Funds" for the year ended 31 July 2017.

The audit certificate was submitted to the Scottish Funding Council (SFC) by 29 September 2017.

Summary of Recommendations

Current Year Recommendations	High	Medium	Low	Total
No recommendations made.	-	-	-	-

Prior Year Recommendations	High	Medium	Low	Total
No recommendations from previous period.	-	-	-	-

1 EXECUTIVE SUMMARY

Conclusion

Overall Conclusion:

We have examined the books and records of Borders 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 SFC. We are satisfied that the systems and controls of the administration and disbursement of these funds are adequate.

Summary of Income & Expenditure

The table below provides a summary of the income and expenditure for each of the funds and provides detail of any expected clawbacks:

	SFC			
	Bursary	**Discretionary**	**Childcare**	**Total**
Income	1,796,216	96,516	158,434	2,051,166
Expenditure	(1,507,926)	(11,906)	(121,716)	(1,641,548)
Transfers/Virements	-	-	-	-
Clawback/(Overspend)	**288,290**	**84,610**	**36,718**	**409,618**

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 2016.

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

Wylie & Bisset LLP			
Partner	Graham Gillespie	Partner	graham.gillespie@wyliebisset.com
Senior Manager	Stephen Pringle	Senior Internal Audit Manager	stephen.pringle@wyliebisset.com
Auditor	Scott McCready	Internal Audit Senior	scott.mccready@wyliebisset.com
Auditor	Jordan Kerr	Internal Audit Assistant	jordan.kerr@wyliebisset.com

Borders College			
Key Contact	Carolyn Chapman	Student Funding Manager	cchap@borderscollege.ac.uk

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

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	11 September 2017
Closing meeting	14 September 2017
Draft report issued	26 September 2017
Receipt of management responses	TBC
Final report issued	TBC
Audit Committee	23 November 2017
No of audit days	2

A SUMMARY OF RETURNS

Scottish Funding Council Return

Bursary Student Numbers & Expenditure								
	Students u18		Parentally Supported		Self Supporting		EMA	
	Students	£	Students	£	Students	£	Students	£
Maintenance Allowances	22	59,683	189	460,570	7	16,398	3	10,842
Residence Costs	-	-	-	-	-	-	-	-
Dependents Allowance	-	-	-	-	-	-	-	-
Personal Allowance	1	4,029	1	699	113	359,758	-	-
Study Expenses Allowance	358	52,302	205	27,859	171	23,556	205	30,648
Travel Expenses Allowance	298	228,816	143	110,893	113	71,957	162	123,641
Special Educational Needs	23	16,466	33	49,659	26	25,281	10	14,027
Total Numbers & Spend	359	361,296	215	649,680	176	496,950	205*	179,158*

Total Bursary Funds Spent in 2016/17	1,507,926

*These figures are included within the 3 previous columns

A SUMMARY OF RETURNS

Scottish Funding Council Return

Discretionary Fund & Childcare Fund Expenditure						
	Discretionary Fund		Childcare Fund		Total	
	Students	£	Students	£	Students	£
At FE Level	12	11,906	37	99,659	49	111,565
At HE Level			7	22,057	7	22,057

Auditors' Report

We have examined the books and records of the above 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 Further and Higher Education 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: Wylie & Bisset LLP

Auditors' Signature: Wylie & Bisset LLP

Date of Signature: September 2017

A SUMMARY OF RETURNS

SAAS Return

HE Discretionary Fund			
	Undergraduate Discretionary Fund £	Postgraduate Discretionary Fund £	Total £
Total funds available for disbursement	12,007	-	12,007
Funds disbursed	3,251	-	3,251
Funds to be returned to SAAS	8,756	-	8,756

Auditors' Report

We have examined the books and records of the above institution 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, and that an interest bearing account or accounts was in operation for the Funds which are separate from the Institution's account.

Appointed Auditor: Date: 29 September 2017

C 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	Classification
High	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	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