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AUDIT COMMITTEE REPORT

Subject: Internal Audit Assignment - Student Support Funds 2017-18	**Purpose:** **For Approval** ☒ **For Discussion** ☐ **For Information** ☐
Prepared by: Hazel Robertson, Vice Principal – Finance and Corporate Services	**Date:** 13 November 2018

Purpose: To consider the audit report on the College's Student Support Funds 2017-18

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 5 October 2018.

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For publication ☒	**For publication with redactions** ☐	**Not for publication** ☐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

2017/18

October 2018

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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 2018.

The audit certificate was submitted to the Scottish Funding Council (SFC) by 5 October 2018.

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 clawback:

	SFC			
	Bursary	**Discretionary**	**Childcare**	**Total**
Income	1,672,499	39,365	156,094	1,867,958
Expenditure	(1,620,586)	(39,365)	(156,094)	(1,816,045)
Transfers/ Virements	-	-	-	-
Clawback/(Overspend)	**51,913**	**-**	**-**	**51,913**

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 2017.

Benchmarking	High	Medium	Low	Total
Average no. recommendations in similar audits	-	1	-	1
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	Ross McLauchlan	Partner	ross.mclauchlan@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	Liam Donnachie	Internal Audit Assistant	liam.donnachie@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	10 September 2018
Closing meeting	13 September 2018
Draft report issued	3 October 2018
Receipt of management responses	3 October 2018
Final report issued	5 October 2018
Audit Committee	22 November 2018
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	16	43,413	164	417,037	148	482,065	1	920
Residence Costs	3	8,682	-	-	-	-	1	4,833
Dependents Allowance	-	-	-	-	-	-	-	-
Personal Allowance	-	-	4	15,660	1	5,633	-	-
Study Expenses Allowance	330	63,667	186	35,287	195	37,257	194	37,241
Travel Expenses Allowance	275	239,292	128	111,766	122	94,507	150	140,560
Special Educational Needs	20	6,638	24	39,727	13	19,955	13	4,937
Total Numbers & Spend	332	361,692	191	619,477	195	639,417	194*	188,491*

Total Bursary Funds Spent in 2017/18	1,620,586

*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	20	39,365	46	138,275	66	177,640
At HE Level			8	17,819	8	17,819

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: 5 October 2018

A SUMMARY OF RETURNS

SAAS Return

HE Discretionary Fund			
	Undergraduate Discretionary Fund £	Postgraduate Discretionary Fund £	Total £
Total funds available for disbursement	11,887	-	11,887
Funds disbursed	(4,760)	-	(4,760)
Funds to be returned to SAAS	7,127	-	7,127

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: Wylie & Bisset Date: 5 October 2018

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