

# AUDIT COMMITTEE REPORT

|  |   |  |
|--|---|--|
| <b>Subject:</b> Internal Audit Assignment - Student Support Funds 2018-19  | <b>Purpose:</b><br><b>For Approval</b> <input checked="" type="checkbox"/><br><b>For Discussion</b> <input type="checkbox"/><br><b>For Information</b> <input type="checkbox"/> |  |
| <b>Prepared by:</b> Hazel Robertson, Vice Principal – Finance and Corporate Services   | <b>Date:</b> 11 November 2019   |  |
| <b>Purpose:</b> To consider the audit report on the College's Student Support Funds 2018-19  |   |  |
| <b>Linked to Strategic Goal 2: Deliver successful outcomes for all our learners.</b>   |   |  |
| <b>Executive Summary:</b><br><br>The audit report on the management of the College's Student Support Funds is attached.<br><br>The report has no recommendations for action and confirms that the audit certificate was submitted to the Scottish Funding Council (SFC) by 4 October 2019. |   |  |
| <b>Recommendation:</b> Committee consider and approve the findings of the report.  |   |  |
| <b>Previous Committee Approvals:</b> n/a   |   |  |
| For publication <input checked="" type="checkbox"/>  | For publication with redactions <input type="checkbox"/>  | Not for publication <input type="checkbox"/> |

# **Borders College**

**Student Support Funds**

**2018/19**

**October 2019**

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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.*

## Introduction

This report has been prepared following the conclusion of our audit of the “Student Support Funds” for the year ended 31 July 2019.

The audit certificate was submitted to the Scottish Funding Council (SFC) by 4 October 2019.

## 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. | -    | -      | -   | -     |

## 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                      | 1,724,278   | 28,979        | 134,998   | 1,888,255   |
| Expenditure                 | (1,724,119) | (28,979)      | (134,998) | (1,888,096) |
| Transfers/ Virements        | -           | -             | -         | -           |
| <b>Clawback/(Overspend)</b> | <b>159</b>  | <b>-</b>      | <b>-</b>  | <b>159</b>  |

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 2018.

| 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

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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            | Haseeb Farrukh  | Internal Audit Senior         | haseeb.farrukh@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

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

| Audit Stage                     | Date              |
|---------------------------------|-------------------|
| Fieldwork start                 | 02 September 2019 |
| Closing meeting                 | 12 September 2019 |
| Draft report issued             | 1 October 2019    |
| Receipt of management responses | 2 October 2019    |
| Final report issued             | 4 October 2019    |
| Audit Committee                 | 21 November 2019  |
| No of audit days                | 5                 |



# A SUMMARY OF RETURNS

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## Scottish Funding Council Return

| Bursary Student Numbers & Expenditure |              |         |                      |         |                 |         |
|---------------------------------------|--------------|---------|----------------------|---------|-----------------|---------|
|                                       | Students u18 |         | Parentally Supported |         | Self Supporting |         |
|                                       | Students     | £       | Students             | £       | Students        | £       |
| Maintenance Allowances                | 11           | 57,630  | 157                  | 409,221 | 164             | 620,968 |
| Residence Costs                       | -            | -       | -                    | -       | -               | -       |
| Dependents Allowance                  | -            | -       | -                    | -       | -               | -       |
| Personal Allowance                    | -            | -       | -                    | -       | -               | -       |
| Study Expenses Allowance              | 295          | 81,558  | 165                  | 42,694  | 195             | 50,906  |
| Travel Expenses Allowance             | 240          | 217,339 | 131                  | 113,461 | 143             | 104,663 |
| Special Educational Needs             | 15           | 3,638   | 17                   | 12,033  | 12              | 10,008  |
| Total Numbers & Spend                 | 302          | 360,165 | 172                  | 577,409 | 200             | 786,545 |

|                                      |           |
|--------------------------------------|-----------|
| Total Bursary Funds Spent in 2018/19 | 1,724,119 |
|--------------------------------------|-----------|

# A SUMMARY OF RETURNS

Borders College  
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## Scottish Funding Council Return

| Discretionary Fund & Childcare Fund Expenditure |                    |        |                |         |          |         |
|---|--------------------|--------|----------------|---------|----------|---------|
|   | Discretionary Fund |        | Childcare Fund |         | Total    |         |
|   | Students           | £      | Students       | £       | Students | £       |
| At FE Level                                     | 14                 | 28,979 | 45             | 114,938 | 59       | 143,917 |
| At HE Level                                     |                    |        | 6              | 20,060  | 6        | 20,060  |

### 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:      Border College  
Auditors' Name:            Wylie & Bisset LLP  
Auditors' Signature:      Wylie & Bisset LLP  
Date of Signature:         4 October 2019

## SAAS Return

| HE Discretionary Fund                  |  |   |            |
|--|--|---|------------|
|  | Undergraduate<br>Discretionary Fund<br>£ | Postgraduate<br>Discretionary Fund<br>£ | Total<br>£ |
| Total funds available for disbursement | 14,444                                   | -                                       | 14,444     |
| Funds disbursed                        | (5,595)                                  | -                                       | (5,595)    |
| Funds to be returned to SAAS           | 8,849                                    | -                                       | 8,849      |

## 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: 4 October 2019

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  |