



UHI North, West and Hebrides

Internal Audit 2023/24

Student Support Funds

September 2024

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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.

This report has been prepared solely for UHI North, West and Hebrides 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 2024.

The audit certificate for the Scottish Funding Council (SFC) funds was submitted on 4 October 2024.

Summary of Recommendations

Current Year Recommendations	High	Medium	Low	Total
SSF Audit 2023/24	-	3	-	3

Prior Year Recommendations	High	Medium	Low	Total
Fully Implemented	-	-	1	1
Total	-	-	1	1

1. Executive Summary

Conclusion

Overall Conclusion:

We have examined the records of UHI North, West and Hebrides 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.

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				
	Bursary	Discretionary	Childcare	Total
Income	1,747,339	213,472	112,663	2,073,474
Expenditure	(1,389,770)	(213,472)	(16,774)	(1,620,016)
Virements	-	-	-	-
Under/(Over) Spend	357,569	-	95,889	453,458

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 2023.

Benchmarking	High	Medium	Low	Total
Average no. recommendations in similar audits	-	-	1	1
Recommendations at UHI North, West and Hebrides	-	3	-	3

As can be seen from the above table, the College has the higher 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	2 September 2024
Closing meeting	26 September 2024
Draft report issued	3 October 2024
Receipt of management responses	4 November 2024
Final report issued	4 November 2024
Submission to Scottish Funding Council	4 October 2024
Audit & Risk Management Committee	13 November 2024
No of audit days	2

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	gg@wbg.co.uk
Manager	Scott McCready	Internal Audit Manager	smc@wbg.co.uk
Senior	Calum Montgomery	Internal Audit Senior	chm@wbg.co.uk
Auditor	Hannah Khan	Internal Auditor	hk@wbg.co.uk

UHI North, West and Hebrides			
Key contacts:	Avril Mckay	Senior Student Awards Officer	avril.mckay@uhi.ac.uk
	Michael Black	Student Support Officer	michael.black@uhi.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:	5	6,818	65	208,400	9	24,077	101	331,373
Residence Costs	0	0	0	0	0	0	0	0
Dependents Allowance	0	0	0	0	0	0	0	0
Study Expenses Allowance	68	17,467	51	13,564	8	3,614	91	20,990
Travel Expenses Allowance	39	30,856	30	37,222	8	7,023	67	55,796
Additional Support Needs Allowance	31	8,128	28	12,873	4	562	36	8,628
Total Numbers & Spend	69	63,269	67	272,059	9	35,276	102	416,787

A. Summary of Returns

Scottish Funding Council Return

Bursary Student Numbers & Expenditure						
	Care Experienced		Universal Credit		Non-Maintenance	
	Students	£	Students	£	Students	£
Maintenance Allowances:	51	361,130	53	45,468	1	282
Residence Costs	0	0	0	0	0	0
Dependents Allowance	0	0	0	0	0	0
Study Expenses Allowance	47	12,294	50	7,591	107	37,429
Travel Expenses Allowance	28	16,793	32	11,901	78	45,841
Additional Support Needs Allowance	41	44,722	24	5,930	55	12,998
Total Numbers & Spend	51	434,939	53	70,890	115	96,550
Total Bursary Funds Spent in 2023/24						1,389,770

A. Summary of Returns

Scottish Funding Council Return

FE Discretionary Fund								
	Students u18		Parentally Supported (At Home)		Parentally Supported (Away from Home)		Self-Supporting	
	Students	£	Students	£	Students	£	Students	£
Total Numbers & Spend	44	35,210	2	5,411	6	17,541	40	83,881

FE Discretionary Fund								
	Care Experienced		Universal Credit		Non-Maintenance		Totals	
	Students	£	Students	£	Students	£	Students	£
Total Numbers & Spend	12	37,930	47	31,360	4	2,139	155	213,472
Total FE Discretionary Fund Spent in 2023/24							213,472	

A. Summary of Returns

Scottish Funding Council Return

Childcare Fund Expenditure		
	Childcare Fund	
	Students	£
At FE Level	4	2,356
At HE Level	7	14,418
Total	11	16,774

Auditors' Report

We have examined the books and records of the UHI North, West and Hebrides 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: - *Wbg Services LLP*

Date of Signature: - 4 October 2024

B. Current Year Recommendations

Attendance			
Ref.	Finding and Risk	Grade	Recommendation
1.	<p>The College should ensure that evidence is retained for students who receive awards but do not meet the required attendance criteria.</p> <p>During our sample testing of 1 in 10 FE discretionary payments, we identified an instance where the student was awarded a payment despite their attendance falling below the threshold.</p> <p>We extended our sample testing by 3 students and found no further issues.</p> <p>There is a risk that students may be receiving payments for unauthorised absences.</p>	Medium	We recommend that, if a student is paid for a week of unauthorised absences, documentation evidencing the absence should be retained.
Management response			Responsibility and implementation date
Going forward, we will have a robust attendance checking procedure in place and we will ensure that we have an attendance and engagement form or a reason for absence recorded in the register for each student who does not meet the attendance criteria but are to be paid student support funding.			<p><i>Responsible Officer: Student Services Manager</i></p> <p><i>Implementation Date: Session 2024-25</i></p>

B. Current Year Recommendations

Application Forms			
Ref.	Finding and Risk	Grade	Recommendation
2.	<p>Application forms should be completed for all students receiving discretionary funds.</p> <p>During our review, we sample tested 12 students and reviewed 2 samples from UHI Outer Hebrides. We found that one student was living away from home in rented accommodation. Given her circumstances, the Student Services manager agreed to use discretionary funding to cover the cost of the accommodation. This was confirmed via an email that we reviewed.</p> <p>The student was receiving EMA and discretionary funding. Across the UHI teams, a decision was made to provide discretionary funding to some EMA students, based on factors such as attendance and engagement. This support was given for a short period of time without an application process.</p> <p>There is a risk that not completing the applications forms may lead to non-compliance with regulations or policies governing the distribution of student support funds.</p>	Medium	We recommend that discretionary awards be granted only to students who have completed the application process.

B. Current Year Recommendations



Application Forms	
Management response	Responsibility and implementation date
As students can only complete one funding application in an academic year, we will ensure any students who wish to be considered for discretionary hardship after they have submitted their funding application, complete a re-assessment of award. The re-assessment paperwork will be filed in the student’s evidence folder in SharePoint.	<i>Responsible Officer: Student Services Manager</i> <i>Implementation Date: Session 2024-25</i>

B. Current Year Recommendations

EMA Payments			
Ref.	Finding and Risk	Grade	Recommendation
3.	<p>The College's requires that all student payments are accurately recorded and reconciled with finance records to ensure completeness and accuracy of payments in line with SFC requirements.</p> <p>During our review, it was identified that a payment of £326.46 to a student was missed in the final payment run on the spreadsheet. As a result, the payment records do not match the finance figures, requiring an amendment to ensure consistency.</p> <p>We note that the student was paid.</p> <p>Failure to accurately record and process student payments may result in financial discrepancies between operational records and financial statements, potentially leading to non-compliance with SFC regulations.</p>	Medium	We recommend that the College establishes a more robust payment reconciliation process that includes a final cross-check of all student payments before closing the payment run.
Management response			Responsibility and implementation date
<p>The student was paid and was included in the original excel sheet sent to finance. When checked they were omitted from the tracking spreadsheet and had to be added.</p> <p>For 2024-25 there will only be one master spreadsheet to control all payments.</p>			<p><i>Responsible Officer: Student Services Manager</i></p> <p><i>Implementation Date: Session 2024-25</i></p>

C. Prior Year Recommendations



Lone Parent Evidence			
Original Finding			
<p>Appropriate evidence should be received prior to students receiving any funding awards.</p> <p>During our review, we undertook sample testing of 3 lone parents within our childcare sample across the Colleges. This was to ensure they had been appropriately awarded and supporting evidence was supplied to support any claims. The College were unable to provide evidence of the status of one lone parent.</p> <p>Where appropriate evidence in support of awards isn't present there is a risk students are incorrectly receiving funding.</p>			
Original Recommendation			
<p>We recommend the College ensure appropriate evidence is gathered and held securely to support any funding awards granted.</p>			
Ref	Finding and Risk	Grade	Recommendation
1.	During our 2023/24 review, we found that appropriate evidence was gathered and held securely to support any funding awards granted for lone parents.	Low	No further action required.

D. 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 Management 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