Board of Management

Audit & Assurance Committee

Date of Meeting	26 November 2025
Paper No.	AAC-D
Agenda Item	5.3.2
Subject of Paper	2024/25 Student Support Funds
FOISA Status	Disclosable
Primary Contact	Henderson Loggie
Date of production	18 November 2025
Action	For Discussion

1. Recommendations

1.1. The Committee is asked to consider and discuss the report and the management responses to the Internal Audit Recommendations.

2. Consultation

2.1. The Lead Auditor has consulted with the Executive Owner, the College Lead, and the Compliance Auditor.

3. Key Insights

3.1. The Internal Audit for 2024/25 Student Support Funds has identified one Priority 2 recommendation and one Priority 3 recommendation from the fieldwork, which have management responses.

4. Impact and Implications

4.1. Internal Audit provides an objective insight into the efficiency of operations, evaluation of risks, and organisational controls.

Appendix 1: Internal Audit Report – 2024/25 Student Support Funds.

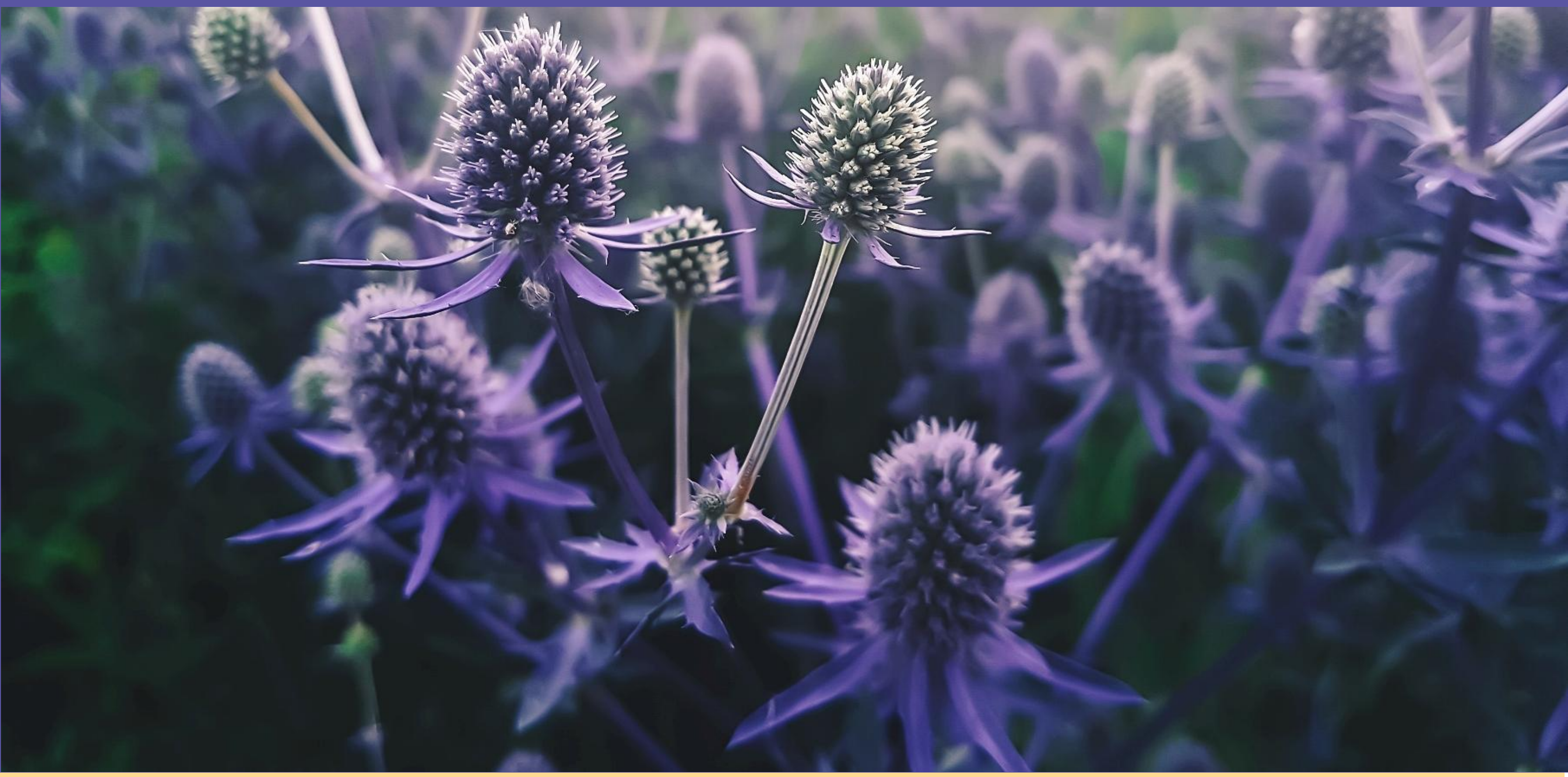
City of Glasgow College

2024/25 Student Support Funds

Internal Audit report No: 2025/11

Draft Issued: 22 October 2025

Final Issued: 29 October 2025



Henderson Loggie

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Management Summary

Introduction

Colleges receive **Discretionary Funds** from the Scottish Funding Council (SFC) and the Student Awards Agency for Scotland (SAAS) to provide financial help for students where access to, or continuance in, further or higher education would otherwise be denied due to financial hardship. The maximum payable from the Further Education Discretionary Fund in 2024/25 was £5,000. Colleges could award sums above this limit in exceptional circumstances with prior approval from SFC. The cap for the Higher Education Discretionary Fund was removed in 2024/25 with no maximum amount payable per student.

Childcare Funds sit alongside the Discretionary Funds to provide assistance with the cost of formal childcare expenses. From academic year 2011/12, childcare funds for higher education students formerly allocated to colleges by SAAS, were transferred to the SFC who now allocates childcare funding direct to colleges for all eligible further and higher education students. No limit is placed on the amounts individuals can access and colleges have the flexibility to determine award levels themselves. Priority must however be given to certain groups, including lone parents and mature students, when allocating funds from the Further and Higher Education Childcare Fund.

The Discretionary and Childcare Funds must be administered, and payments made, in accordance with SFC and SAAS guidelines.

Bursary funds are given to students at the discretion of a college to help maintain that student in their education beyond their compulsory school leaving date. An award can include allowances that cover a student's maintenance, travel, and study costs. Colleges can also use bursary funds for allowances to cover costs incurred by a student living in college-approved accommodation, or due to having dependants and / or special education needs.

Colleges must apply the terms of the National Policy for Further Education Bursaries, together with applicable legislation and supplementary letters issued by the SFC, when using the funds allocated to them for bursary purposes. The policy sets out the minimum criteria, maximum rates and minimum contribution scales that a college must apply in allocating bursary funds. In recognising that the bursary fund is cash-limited, colleges may have to exercise discretion to target support to meet local priorities and the needs of their students. SFC expects colleges to award students their full calculated bursary award. Where a college chooses to supplement bursary funds from its own resources it may use the additional resources as it sees fit.

Education Maintenance Allowances (EMAs) provide financial support for 16- to 19-year-olds from low-income households who are attending non-advanced full-time education at school, college or are home educated. Eligible students receive £30 per week, which is targeted at young people from the lowest income families.

EMAs must be administered, and payments made, in accordance with SFC and Scottish Government guidelines.

Audit Scope

For the 2024/25 academic year three specific fund statements were required for audit:

- Further Education Discretionary Fund, Further and Higher Education Childcare Fund and Bursary Return;
- Higher Education Discretionary and Childcare Fund; and
- Education Maintenance Allowance Return.

Audit Objectives

The audit objectives were to ensure that:

- The College complies with the terms, conditions and guidance notes issued by SFC, SAAS and the Scottish Government;
- Payments to students are genuine claims for hardship, bursary or EMA, and have been processed and awarded in accordance with College procedures; and
- The information disclosed in each of the returns for the year ending 31 July 2025, is in agreement with underlying records.

Audit Approach

The audit approach included:

- Reviewing new guidance from SFC, SAAS and the Scottish Government and identifying internal procedures;
- Agreeing income to amounts awarded;
- Reconciling expenditure through the financial ledger to returns, investigating reconciling items;
- Reviewing College analysis spreadsheets for large or unusual items, obtaining explanations where necessary; and
- Carrying out detailed audit testing, on a sample basis, on expenditure from the funds.

Audit guidance issued by the SFC was utilised.

Action Plan

The action that we consider necessary on each issue is highlighted in the text for clarity and an action plan for implementation of these recommendations can be found in section 2.

To aid the use of the action plan, our recommendations have been graded to denote the level of importance that should be given to each one. These gradings are as follows:

Priority 1	Issue subjecting the College to material risk and which requires to be brought to the attention of management and the Audit and Assurance Committee.
Priority 2	Issue subjecting the College to significant risk and which should be addressed by management.
Priority 3	Matters subjecting the College to minor risk or which, if addressed, will enhance efficiency and effectiveness.

Findings and Conclusions

In our covering letter to the SFC enclosing the audited **Further Education Discretionary Fund, Further and Higher Education Childcare Fund and Bursary Return**, we noted the following observations as referred to in our audit report.

Findings and Conclusions (Continued)

For nine of the 10 students in our Bursary sample who had been awarded study costs payable directly to the College, we noted that the amount claimed in the FES was higher than the projected kit cost for the course per College Course Materials records. From more detailed testing of a sample of three courses we noted that the main reason for this is that the College orders kit for all pre enrolled students, as this is needed for the start of the course. However, not all students attend and the College splits the total invoiced cost over the bursary eligible students after deducting the cost of any kit relating to students funded through the Further Education Discretionary Fund. For our sample of three courses, we calculated that the unit cost of the kit was inflated by 17.78% compared to the invoice price and extrapolating this to the total study costs claimed gives a potential overcharge to the Bursary fund of approximately £52,700. Following further discussion with the College, management prepared a calculation based on a review of all relevant courses and this showed a potential overcharge to the Bursary fund of approximately £31,000 in comparison to our extrapolated figure of £52,700.

Similar issues have been raised in previous years although, for 2023/24, the potential overcharge was at a lower level. Management advised at that time that a monitoring process had been put in place to check what students are eligible for Bursary course materials and what students are not eligible for Bursary, and that the Student Funding team actively chases students that are not eligible and supports applicants to apply for funding from the Discretionary Fund that covers the cost of course materials or invoices the students where necessary.

As noted above, whilst we can see that the cost of any kit relating to students funded through the Further Education Discretionary Fund is deducted from the calculation, the cost of the kit for pre-enrolled students who did not attend the College is apportioned between the Bursary students. This is not fully in line with the principles set out in the SFC Bursary guidance for the Study Expense Allowance (Study Costs) which include that: colleges should only fund essential items required by the student; colleges should be satisfied that they are achieving best value for money; and colleges should ensure that they are properly accounting for the items supplied through this allowance.

Recommendation
R1 Ensure that study costs claimed in the FES for Bursary students are not inflated by a share of costs for pre-enrolled students who do not subsequently attend the College.

In our covering letter to SAAS enclosing the audited **Higher Education Discretionary and Childcare Fund Return** we noted the following observations arising from our audit work. The College does not operate a separate interest-bearing bank account for the Fund and all transactions are through the College's main bank account. The College uses the Government banking service for all of its financial transactions, on instruction from the SFC, and this account does not pay interest. We also note minor typing errors on the Report on Student Numbers at page 3 of the return. At row b, the total number of Part Time HE Discretionary Fund students assisted should be 6, not 5, with the overall total number of students assisted being 449. At row a, the total number of Part Time HE Discretionary Fund students applying for assistance should be 7, not 6, with the overall total number of students applying being 524.

In our covering letter to SFC, enclosing our Auditors' Report for the **Education Maintenance Allowance Return,** we noted one minor observation arising from our audit work. Total EMA maintenance payments of £390,480 were made by the College in the year-ended 31 July 2025 compared with £390,630 included in the monthly returns and year-end statement. The difference of £150 relates to an overclaim of £30 for one student where a payment was returned and an overclaim of £120 for another student who was transferred from EMA to Bursary. These errors have been adjusted by the College in the monthly return for September 2025.

Findings and Conclusions (Continued)

In addition to the above, the following points were noted during the course of our audit:

Education Maintenance Allowance (EMA) Attendance
Per the SFC EMA Guidance 'Students must have 100% agreed attendance to receive the weekly payment, and any absences authorised by the college should be treated as a day of attendance. Colleges are reminded that authorised absences are permitted and that they may exercise flexibility when considering the attendance criteria for vulnerable students. This flexibility should be considered on a case-by-case basis and be part of the learning agreement.'

Four of the students in our sample received payments despite having between one and four unnotified absences in the two weeks prior to the week of payment. Management advised that the College does monitor student attendance on a regular basis however payments would continue to be made unless a student is absent for eight or more days in a row without contacting the Student Funding team. None of the students in our sample had been absent outwith this College policy.

We recommended in previous years that, where students are shown as having unnotified absences in the attendance system, but EMA is to be paid in full, the College should add a brief note on the system to support the authorisation of the absence. Follow-up in 2023/24 noted that this recommendation had been 'considered but not implemented' as management was seeking an IT solution and had been advised that the Enquirer system does not allow for notes to be added to support the authorisation of the absence. This remains the case.

Further Education Discretionary Fund – Course Materials
One student in our Further Education Discretionary Fund sample was awarded £146.14 for course materials support. This was not included on any award letter or notification provided to this student and it was confirmed that this information is not routinely issued to students who receive support for course materials. College management noted that the student funding declaration include agreement by the student for the College to make an assessment for any additional / further financial support based on need.

Recommendation
R2 To improve the audit trail, the College should consider providing Further Education Discretionary Fund students with notification where financial support is provided for course materials.

Copies of the fund statements and audit certificates are provided at appendices I to III of this report.

Acknowledgments

We would like to take this opportunity to thank the staff at the College who helped us during our audit.

Action Plan

Page Ref.	Recommendation	Grade	Management Comments	Agreed Y/N	Responsible Officer For Action	Agreed Completion Date
3	**Bursary Return – Course Materials** **R1** Ensure that study costs claimed in the FES for Bursary students are not inflated by a share of costs for pre-enrolled students who do not attend the College.	**2**	For 2024 manual checks were in place from January to make sure students who have not applied for funding, are advised to apply for funding or invoiced for fees by Finance. However, this year the College intends to start this process earlier by encouraging all students to apply for funding at application.	Yes	Head of Student Recruitment and Funding	January 2026 (for August starts) and March 2026 (for January starts)
4	**Further Education Discretionary Fund – Course Materials** **R2** To improve the audit trail, the College should consider providing Further Education Discretionary Fund students with notification where financial support is provided for course materials.	**3**	All students who are given support through FEDF for course materials will receive notification from the College in writing. All letters will be saved to the students record.	Yes	Head of Student Recruitment and Funding	January 2026 (for August starts) and March 2026 (for January starts)

Appendix I – Further Education Discretionary Fund, Further and Higher Education Childcare Fund and Bursary Return and Audit Certificate

Appendix II – Higher Education Discretionary and Childcare Fund Return and Audit Certificate

Appendix III – Education Maintenance Allowance Return and Audit Certificate

Appendix IV – Updated Action Plan – Student Support Funds 2023/24

Recommendation	Grade	Comments	Agreed Y/N	Responsible Officer For Action	Agreed Completion Date	Progress at October 2025
FES Return **R1** The College should ensure that final checks are performed on the accuracy of the FES data prior to submitting to SFC. As the FES data contains both Credits and support funds data, any changes made to Credits data should be reviewed to ensure that any impact on support funds data is accurate.	**2**	The FES return for both Credit and Support Funds Data will be run concurrently moving forward to prevent any inaccuracies in reporting. The Credits and Support Funds Data will be cross-referenced before the submission to FES for Quarter 1 2024.	Yes	Head of Student Recruitment & Funding and AD Student MIS	30 November 2024	No discrepancies were noted this year between the signed Student Support Funding Report and the Student Support Funding Report included in the final FES submitted to and accepted by the SFC. ***Fully Implemented***
Bursary Return – Course Materials **R2** Ensure that study costs claimed in the FES for Bursary students are not inflated by a share of costs for non-Bursary students.	**2**	Since January 2024 a manual check has been in place to make sure students who have not applied for funding, are invoiced by Finance. However, this will be the first academic year using the checks. The first check will be completed in the submission to FES for Quarter 1 2024.	Yes	Head of Student Recruitment & Funding	30 November 2024	Although some progress has been made in 2024/25, issues were noted in relation to course materials for pre-enrolled students who did not attend the College. See page 3 of the Main Report. ***Partially Implemented***

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