

Glasgow Kelvin College

2024/25 Student Support Funds

Internal Audit report No: 2025/09

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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 lone parents, part-time students and mature students when allocating funds from the Further 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, however, a college may vary the terms of the policy by imposing additional eligibility criteria or conditions. Figures used within the policy to calculate a student's award may be varied, but only in order to reduce the value of an award, although 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 Return; 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 Risk 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

We were able to certify all three fund statements for the year and submit these to the appropriate bodies, without reservation, although observations were made in two cases as noted below.

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.

The College has a process in place so that where a student does not enrol, or is not eligible for study costs, the kit cost should be recharged to the relevant faculty and not met from the Bursary fund. However, from detailed testing of study costs for an initial sample of six invoices / courses and a further three selected in an extended sample we noted that the amount recharged to the faculties was understated for two courses and this inflated the cost of the kit split between the eligible bursary students. For our sample of invoices / courses, we calculated that the unit cost of the kit was inflated by 4.79% compared to the invoice price and extrapolating this to the total study costs claimed for course materials gives a potential overcharge to the Bursary fund of approximately £9,900.

Within our sample we also identified one invoice for £3,137.58 that had been incorrectly charged to the Bursary fund, which resulted in study costs for the related course being inflated by £392 for each of the eight students which has not been corrected in the final FES. Based on the other testing carried out this was accepted as a one-off error.

Recommendation

R1 The College should review its process for identifying study costs chargeable to Bursary to ensure that where a student does not enrol, or is not eligible for study costs, the kit cost is recharged to the relevant faculty and not met from the Bursary fund.

In our covering letter to SAAS enclosing the audited **Higher Education Discretionary and Childcare Fund Return** we noted the following minor observation arising from our audit work. The College does not operate a separate interest-bearing bank account for the HE Discretionary 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 Scottish Funding Council, and this account does not pay interest.

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

Acknowledgements

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 – Study Costs R1 The College should review its process for identifying study costs chargeable to Bursary to ensure that where a student does not enrol, or is not eligible for study costs, the kit cost is recharged to the relevant faculty and not met from the Bursary fund.	2	The College already recharges study costs for students who do not enrol or are not eligible. From 2025–26, this process will be strengthened by first identifying the actual cost per student from course invoices, followed by a mid-year reconciliation and an update of TeQuios so that only actual costs for eligible students are recorded, estimates for non-eligible students are removed, and any non-eligible costs are recharged to faculties. A year-end reconciliation will also be carried out to capture any late or missed costs. This ensures Bursary commitments and faculty recharges are correct, and FES figures are accurate without the need for year-end adjustments.	Yes	Finance and Student Funding Manager	31 July 2026



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



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