

	PAPER NO: AC.48(12)	
Board/Committee:	Audit Committee	
Date:	27 September 2012	
Paper title:	Audit of the Access to Learning Fund 2010-11 and related systems	
Author:	Anne Grant, Head of Disability & Dyslexia Support and Student Advice	
Executive sponsor:	Phil Cardew, Pro Vice Chancellor (Academic)	
Recommendation by the Executive:	To note the audit report, recommendations and actions	
Aspect of the Corporate Plan to which this will help deliver?	Creating an environment in which excellence can thrive	
Matter previously considered by:	N/A	
Further approval required?	N/A	
Communications – who should be made aware of the decision?	N/A	

Executive summary

The committee is requested to note the audit findings, recommendations, actions and audit closure from a HEFCE audit of the Access to Learning Fund 2010-11 and related systems.

Attachments:

- Appendix 1: Audit Findings
- Appendix 2: Management Responses
- Appendix 3: Audit Closure letter

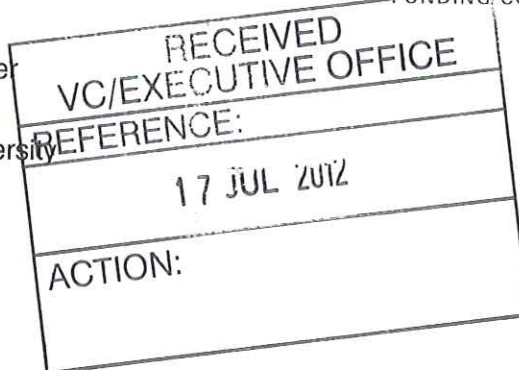
13 July 2012

Professor Martin Earwicker
Vice-Chancellor
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Dear Professor Earwicker

Return for Access to Learning Funds for Higher Education Students and the related system 2010-11

Following David Adkins' visit to the University on 10 May to audit the 2010-11 Access to Learning Fund annual monitoring return and the systems used to manage those funds, I am writing to advise of the audit findings and conclusions.

The audit forms part of HEFCE's Service Level Agreement with the Department for Business, Innovation and Skills (BIS) in relation to the Access to Learning Fund (ALF) for Higher Education Students.

The audit sought to assess the University's level of compliance with the requirements of BIS in the Access to Learning Fund Guidance together with an assessment of the systems for administering the fund.

Conclusion

We have gained assurance over the systems used in deriving the 2010-11 Access to Learning Fund annual monitoring return and the return itself, subject to the University implementing all recommendations in the annex to this letter to help improve the accuracy of future returns.

The Annex to this letter details the audit findings and recommendations which I would like the University to consider and provide an Action Plan in response after due consideration. I would like to receive the completed Action Plan by **13 August 2012**. Once I am satisfied with the Action Plan I will formally close the audit.

I would expect this letter and Annex to be presented to the University's Audit Committee, together with the completed Action Plan.

Finally, may I take this opportunity to extend my thanks to all those members of the University's staff who assisted with this audit, and in particular to Jayson Short.

Yours sincerely

Anthea C. Beresford



Anthea Beresford
Assurance Consultant (Data)

Cc By e-mail Jayson Short Head of Employability & Careers

Annex

Completion of the monitoring return

Some problems were experienced prior to the audit visit with our review of student HUSID numbers related to the ALF data. 36 were not supplied in the pre-audit data, and 57 (77 awards) supplied on the ALF monitoring return were not recognised when compared with the University's HESA return.

The audit sample included 7 of these entries and we confirmed as part of the audit that a valid and appropriate course record existed on the student record system for each of these students. The reasons for the errors on the HESA data submission are being pursued by the University but are outside the scope of this audit.

The following errors were noted in the completion of the return:

- Loans of £1,500 repaid from the previous year had been credited to the current year loan repayment line;
- 26 FOYA bursaries of £1,000 had been granted but have been included as standard awards in the monitoring return;
- 260 £400 non-standard awards included in the return were in fact additional payments granted in June 2011 to standard award students. These students had been assessed earlier in the year but their award capped at £600. These were not separately assessed non-standard awards.

Recommendation 1: The University should review the processes that enabled the three errors identified to occur, and should implement improvements aimed to avoid the errors in future returns.

Publication and availability of the fund

There are clear website links from "*Additional financial help*" to the ALF fund application guidance. Posters and flyers are available and displayed. The opening and closing dates of the fund are posted on the website. The fund is open for most of the academic year but may close earlier if funds are exhausted. However, if this should occur, students would still receive advice outside these dates and could be directed to other means of help.

Priority Group assessments

Students are classified as Priority 1 if they have dependant children, disabilities, are care leavers or are in the final year of their programme. The University sets levels of allowable expenditure which also take into account these factors. These students potentially received 50% of the assessed need as opposed to the 25% for all other applicants in 2010-11. Overall caps of a minimum of £200 and maximum of £600 were however in place.

Segregating of roles between advisors and assessors of applications

The same five staff both advise students and undertake assessment of need. This is not considered best practice for a number of reasons (see 2.83 of the 2010/2011 ALF Guidance). Methods of ensuring that the five staff are organised to avoid this situation should be considered.

Recommendation 2: The current advice and assessment processes should be reviewed with the aim of segregating the staff involved in the advice and assessment activity for each assessment.

The assessment process

The assessment process was being undertaken in accordance with the guidance issued by BIS. However, in addition to the stated % estimate of need to be met at the beginning of the year of 50% for priority groups and 25% for non-priority awards, a cut-off factor of £600 was set for all awards. Some 50% of the 640 standard awards had been subject to the £600 cap. The introduction of such a low cap to a large number of student applications negates to an extent the objective of the assessment process which is designed to assess a student's needs on the basis of a common set of values. Thus the monitoring return figures which indicate that the fund is meeting 25% and 50% award of need level is not reflective of the true position.

Towards the end of the academic year the ALF fund was some 18% under-spent, and as a result, 260 students who had originally had their award capped at £600 were provided with an additional payment of £400.

Recommendation 3: The requirement for a comparatively low cap value on awards and the appropriateness of the current percentage values should be reviewed as part of the budgeting process for the next academic year.

Approval of awards

A sample of ten assessments had all been correctly approved and declarations signed by the student. One loan application, although signed, did not actually state the value of the loan. We understand from discussion however that loans will not be made from the ALF fund in future so we make no recommendation in this area.

Making the payment

Five ALF awards were sampled for this area. Two were found to have been paid well within the 4 week target at 2.8 & 1.8 working weeks. Two were found to have been paid outside the target at 5 & 6.2 working weeks respectively, between assessment and payment.

For one of the sample we were unable to establish when the assessor had finally received all necessary data from the student but from the time additional data had been requested to the payment being made, 13.8 working weeks had elapsed. Discounting this last example, as 50% were outside the target payment date, this is an area that should be monitored more closely. In both these examples 2-3 weeks would appear to have elapsed between the instalment date and the actual payment to the student.

Recommendation 4: A process for monitoring the time taken to process ALF payments from receipt of all relevant data to the BACS payment to the student should be considered in order to identify any delays inherent in the process. This could be conducted on a sample basis.

London South Bank University

Return for Access to Learning Funds for Higher Education Student and the related system 2010/11 – Action Plan

The following errors were noted in the completion of the return:

- Loans of £1,500 repaid from the previous year had been credited to the current year loan repayment line;
- 26 FOYA bursaries of £1,000 had been granted but have been included as standard awards in the monitoring return;
- 260 £400 non-standard awards included in the return were in fact additional payments granted in June 2011 to standard award students. These students had been assessed earlier in the year but their award capped at £600. These were not separately assessed non-standard awards.

Recommendation 1: The University should review the processes that enabled the three errors identified to occur, and should implement improvements aimed to avoid the errors in future returns

Actions

The systems will be reviewed during August 2012, to ensure improvements are made that avoid the errors mentioned above.

Segregating of roles between advisors and assessors of applications

The same five staff both advises students and undertakes assessment of need. This is not considered best practice for a number of reasons (see 2.83 of the 2010/2011 ALF Guidance). Methods of ensuring that the five staff are organised to avoid this situation should be considered.

Recommendation 2: The current advice and assessment processes should be reviewed with the aim of segregating the staff involved in the advice and assessment activity for each assessment.

Appendix 2 – Management Responses

Actions

The University will be opening a new Student Centre at the beginning of the 2012/13 session, with reorganised teams and responsibilities. The advisor roles are being reviewed as part of this process.

The assessment process

The assessment process was being undertaken in accordance with the guidance issued by BIS. However, in addition to the stated % estimate of need to be met at the beginning of the year of 50% for priority groups and 25% for non-priority awards, a cut-off factor of £600 was set for all awards. Some 50% of the 640 standard awards had been subject to the £600 cap. The introduction of such a low cap to a large number of student applications negates to an extent the objective of the assessment process which is designed to assess a student's needs on the basis of a common set of values. Thus the monitoring return figures which indicate that the fund is meeting 25% and 50% award of need level is not reflective of the true position.

Towards the end of the academic year the ALF fund was some 18% under-spent, and as a result, 260 students who had originally had their award capped at £600 were provided with an additional payment of £400.

Recommendation 3: The requirement for a comparatively low cap value on awards and the appropriateness of the current percentage values should be reviewed as part of the budgeting process for the next academic year.

Actions

As part of the budgeting processes for the next academic, cap values on awards and percentage values will be reviewed to ensure they provide a more accurate monitoring return.

Making the payment

Five ALF awards were sampled for this area. Two were found to have been paid well within the 4 week target at 2.8 & 1.8 working weeks. Two were found to have been paid outside the target at 5 & 6.2 working weeks respectively, between assessment and payment.

For one of the sample we were unable to establish when the assessor had finally received all necessary data from the student but from the time additional data had been requested to the payment being made, 13.8 working weeks had elapsed. Discounting this last example, as 50% were outside the target payment date, this is an area that should be monitored more closely. In both these examples 2-3 weeks would appear to have elapsed between the instalment date and the actual payment to the student.

Appendix 2 – Management Responses

Recommendation 4: A process for monitoring the time taken to process ALF payments from receipt of all relevant data to the BACS payment to the student should be considered in order to identify any delays inherent in the process. This could be conducted on a sample basis.

Actions

As part of the changes to the new Student Centre coming into effect for the start of 2012/13, a new student enquiry system will be in place that will enable staff to track the progress of individual applications, and produce management information on overall timescales. Sampling can be conducted to identify any delays.

Anne Grant
Head of Disability & Dyslexia Support & Student Advice

30th July 2012

Appendix 3 – Audit Closure

22 August 2012

Professor Martin Earwicker
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Dear Professor Earwicker

Return for Access to Learning Funds for Higher Education Students and the related system 2010-11

Following recent receipt of the University's completed Action Plan I have now reviewed the Plan.

I note that none of the actions in response to the audit recommendations are completed yet. I am content with this but would like to be advised of any problems with regard to implementation.

I confirm I am satisfied with the University's response made to our recommendations so please take this letter as confirmation that the audit is now formally closed.

Finally, may I take this opportunity to extend my thanks to all those members of the University's staff who assisted with this audit, and in particular to Jonathan Croall.

Yours sincerely

Anthea C. Beresford



Anthea Beresford
Assurance Consultant (Data)

Cc By e-mail Jayson Short Head of Employability & Careers