

JEWEL & ESK **COLLEGE**

**ANNUAL REPORT
TO THE BOARD OF GOVERNORS AND THE AUDITOR
GENERAL FOR SCOTLAND ON THE EXTERNAL AUDIT FOR
THE YEAR ENDED 31 JULY 2008**

OCTOBER 2008

Wylie⁺Bisset, LLP

Chartered Accountants
Business & Tax Advisers

**168 Bath Street
Glasgow**

Date of commencement of Final Visit	01/09/2008
Date of Audit clearance meeting	25/09/2008
Date of College Responses	06/10/2008
Date of Presentation of Report	28/10/2008

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GLOSSARY OF TERMS

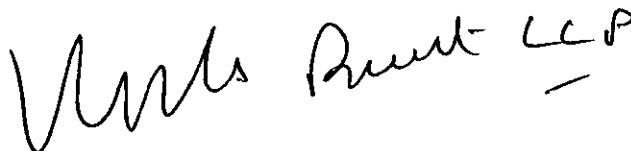
Annual Report	-	Report
Jewel & Esk	-	The College
Governance and Management Appraisal and Policy Directorate	-	GMAP
Code of Audit Practice	-	The Code
Scottish Funding Council	-	SFC
Value for Money	-	VFM

1. INTRODUCTION

- 1.1. Wylie & Bisset were appointed as the External Auditors of Jewel & Esk College with effect from 1 August 2006 for a period of 5 years until 31 July 2011. Wylie & Bisset LLP have succeeded Wylie & Bisset as auditor during the year and will undertake the remainder of the appointment.
- 1.2. The Annual Report has been prepared following the conclusion of our audit of the financial statements of Jewel & Esk College for the year ended 31 July 2008.
- 1.3. Our audit was carried out in accordance with our statutory responsibilities, statements of auditing standards and wider responsibilities contained in the Code of Audit Practice ('the Code') issued by Audit Scotland in March 2007.
- 1.4. Paragraph 19 of the 'Code' states that the auditor's objectives are to:
 - Provide an opinion whether the College's financial statements present a true and fair view of the financial position of the College and the regularity of transactions in accordance with standards and guidance issued by the Auditing Practices Board;
 - Review and report on the College's corporate governance arrangements as they relate to:
 - The College's review of its systems of internal control
 - The prevention and detection of fraud and irregularity
 - Standards of conduct, and the prevention and detection of corruption
 - Its financial position, and
 - Review aspects of the College's arrangements to manage its performance.
- 1.5. The responsibilities of the Board of Governors with regard to the financial statements are set out in the "Statement of Responsibilities of the Board of Governors" included in Appendix A and in the "Independent Auditors' Report" in Appendix B.
- 1.6. The responsibilities of Wylie & Bisset LLP with regard to the financial statements and our audit opinion on the financial statements are included in the "Independent Auditors' Report" included in Appendix B.
- 1.7. Our audit report on the financial statements for the year ended 31 July 2008 is unqualified.

- 1.8. The Annual Report covers the following areas as set out in the Code:
- a) Internal Controls and audit approach
 - b) Internal Audit
 - c) Corporate Governance
 - d) Value for Money
 - e) GMAP visits
 - f) Prevention and detection of fraud and irregularities
 - g) Management letter – 2007
 - h) Management letter – 2008
- 1.9. Our audit findings in each of the above areas are set out in the relevant sections of the report.
- 1.10. Our audit work is designed to enable us to form an audit opinion on the financial statements of the College and should not be relied upon to disclose all weaknesses in internal controls in relation to the Colleges systems and financial statements.
- 1.11. This report has been prepared for the purposes of the Board of Governors and the Auditor General for Scotland and should not be issued to third parties without our prior written consent.
- 1.12. We would emphasise that our comments in this report are not intended to be any reflection on the integrity of the College staff, whom we would like to thank for their help and assistance throughout our audit visits.
- 1.13. Should you have any queries on the contents of the Annual Report please do not hesitate to contact us.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Wylie & Bisset LLP', with a horizontal line underneath the letters 'P'.

for and on behalf of
Wylie & Bisset LLP

2. INTERNAL CONTROLS AND AUDIT APPROACH

- 2.1. We have reviewed in the course of our audit the key elements of the College's systems of internal financial controls including the following areas;
- a) The College's medium and short term planning processes including budgets;
 - b) The College's review of key performance indicators, financial and management accounts;
 - c) The College's controls over income and expenditure;
 - d) The College's financial controls and procedures;
 - e) The input from the Audit Committee and the Finance Committee;
 - f) The College's internal audit service.
- 2.2. In carrying out our audit work we have taken into account the following:
- a) The Code of Audit Practice issued by Audit Scotland;
 - b) The Code of Audit Practice issued by SFC;
 - c) Guidance issued by Audit Scotland;
 - d) Guidance issued by SFC;
 - e) The College's internal control procedures;
 - f) The College's Corporate Governance procedures;
 - g) The College's approach to Value for Money;
 - h) The financial memorandum between SFC and the College.
- 2.3. In reaching our audit opinion we carried out our audit work based on the audit plan with evidence obtained by:
- a) Reviewing previous financial statements;
 - b) Reviewing internal audit plans and reports;
 - c) Discussions with senior management and staff at the College;
 - d) Completing appropriate audit programmes;
 - e) Carrying out analytical review procedures;
 - f) Carrying out substantive and compliance audit tests on a judgemental basis;
 - g) Reviewing the minutes of the principal College committees.
- 2.4. Based on our review the College appears to operate appropriate internal financial controls, subject to the management letter points raised in Sections 9 & 10.
- 2.5. The audit recommendations are included in the appropriate sections of this report.
- 2.6. The recommendations have been graded as either High, Medium or Low priority depending upon the degree of risk assessment for each recommendation. Each recommendation has a target date for remedial action and the person responsible for each recommendation has been nominated in the relevant Section.

3. FINANCIAL STATEMENTS

- 3.1. The financial statements of the College are the means by which it accounts for its stewardship of the resources made available to it and its financial performance in the use of these resources. In accordance with the Further and Higher Education (Scotland) Act 1992 and the Accounts direction issued by the SFC, it is the responsibility of the College to prepare financial statements, which give a true and fair view of the College's financial position and the income and expenditure for the year.
- 3.2. The Public Finance and Accountability (Scotland) Act 2000 requires that the auditor shall place on the abstract of accounts an audit report, which contains an opinion as to whether the College has fulfilled this responsibility. The format of the audit report directed by the Auditor General for Scotland clarifies the respective responsibilities of management and auditors in relation to the accounts and requires auditors to set out the basis on which they have formed their opinion.

AUDIT REPORT

- 3.3. We are pleased to record that there are no qualifications in our audit report on the College's 2007/08 accounts, as, in our opinion, the financial statements give a true and fair view of the College's financial position and the income and expenditure for the year ended 31 July 2008; and funds received have been applied for their intended purpose.

FINANCIAL PERFORMANCE

- 3.4. The income and expenditure account shows an operating surplus for the year of £584k (2007 - £256k) on the year's operations before the exceptional gain on disposal of £21,147k relating to the sale of land held by the College (2007 - £193k loss on disposal). Excluding the movements in relation to the pension liability under FRS17, the income and expenditure account would show an operating surplus of £323k (2007 - £26k).
- 3.5. In 2007/08 the College forecast for an operating surplus of £220k through the College Financial Return. The College has currently budgeted for a £264k operating deficit in 2008/09.
- 3.6. The consolidated balance brought forward on the income and expenditure reserve as at 1 August 2007 was £1,428k. The balance on the income and expenditure reserve at 31 July 2008 is £4,322k.

- 3.7. In August 2008 the Scottish Funding Council (SFC) published a series of performance indicators (PIs) assessing the financial performance of further education colleges for 2006/07. As detailed below the indicators show that in 2006/07 the Colleges financial position is in line with the sector average, drawing attention to the fact that the figures are skewed due to the development of the new campus.
- the reserves (designated reserves plus I&E reserves) were 14.4% of total income (2005/06: 13.7%), compared with a sector average of 17% (2005/06: 10.5%);
 - the liquidity ratio (current assets: current liabilities), was 1.3 (2005/06: 1.8) compared with a sector average of 1.4 (2005/06: 1.3);
 - the interest cover ratio was 7.4 (2005/06: 2.8), compared with a sector average of 5 (2005/06: 3).
- 3.8. In 2009 the SFC is due to publish comparisons of the financial performance of colleges based on 2007/08 PIs. The College will continue to keep the inter-college comparisons produced by SFC under review.

SUBMISSION OF ACCOUNTS

- 3.9. The accounts were submitted for audit on 1st September 2008. The accounts submitted for audit were substantially complete and revised soon after to include the final financial information. Working papers provided have generally been of a good standard and queries arising from the audit have all been resolved. Key staff members were readily available for consultation throughout the audit process.

ISSUES ARISING

- 3.10 During the course of the audit a number of issues arose which were resolved in discussion with, or formally reported to the Management Accountant, the Finance Manager and Finance Director. This practice is an established part of the audit process. The remainder of this report draws to the attention of the Board of Governors and the Auditor General any matters of particular significance or interest, which arose from the audit.
- 3.11 **Accounting Policies:** In accordance with FRS18 the Audit Committee have formally reviewed the accounting policies included in the Annual Accounts.
- 3.12 **Campus Development:** During the year ended 31 July 2008, the College expended a further £40,442k on the new campus development. The overall costs of the project are estimated at £59 million, which is covered by a mixture of funding including external funding from The Scottish Funding Council and sale of existing college assets.
- 3.13 During the year the College sold land at Eskbank and Milton road as part of the new Campus Development.

4 AUDIT

Objective and Approach

- 4.1 Internal audit is a key element of the internal control system set up by management. A strong internal audit function is necessary to ensure the continuing effectiveness of the internal control system established. The College, therefore, needs to have in place a properly resourced internal audit service of good quality. To maximise the reliance that may be placed on internal audit and to avoid duplication of effort, the adequacy of internal audit is assessed each year.
- 4.2 The College's internal auditors for 2008 were Scott Moncrieff.
- 4.3 The College's internal audit strategic and operational plans are set out for the year ending 31 July 2008 in the Audit Needs Assessment.
- 4.4 In the course of the year ended 31 July 2008 the following internal audit reports were issued:
- a) Review of 2006/7 SUMS Return (September 2007)
 - b) Marketing - Summer 2007 student recruitment campaign (September 2007)
 - c) e-Procurement review (January 2008)
 - d) Review of financial model (March 2008)
 - e) External contracts income review (April 2008)
 - f) Risk management (May 2008)
 - g) Effectiveness of resulting students (July 2008)
- 4.5 The Internal audit work carried out and the reports issued in the year were largely in line with the Audit Needs Assessment.
- 4.6 The Internal Audit annual report from the College's internal auditors concluded that 'Reasonable Assurance' could be taken from the internal audit work.

Opinion

- 4.7 An assessment was made of the adequacy of the Internal Audit function using a bespoke checklist and review of the Internal Audit reports. Based on this work we concluded that the internal audit function is operating effectively and that we can place formal reliance on work of Internal Audit. Accordingly reliance was placed on the work of Internal Audit in all areas on which they reported during 2007/08 as detailed at 4.4.

5 CORPORATE GOVERNANCE

Objective and Approach

- 5.1 A review and assessment of the College's Corporate Governance systems relating to standards of conduct, openness and integrity was carried out using a bespoke checklist. We also reviewed the following:
- a) The College's Corporate Governance Statement included in the financial statements for the year ended 31 July 2008;
 - b) The College's Corporate Governance strategy;
 - c) The minutes of meetings of key College committees issued during the year.

Opinion

- 5.2 Based on our review the College appears to operate appropriate Corporate Governance procedures and management have adequate arrangements in place covering standards of conduct etc. These include for example Codes of Conduct for both Board Members and Staff.

Recommendations

- 5.3 There are no recommendations in this area.

6. VALUE FOR MONEY

Objective and Approach

6.1 We have reviewed the College's Value for Money systems including the following:

- a) The College's strategy in this area;
- b) VFM studies carried out by the College's internal auditors.

Opinion

6.2. Based on our review the College appears to have established adequate arrangements to secure economy, efficiency and effectiveness in the use of its resources.

Recommendations

6.3. There are no recommendations in this area.

7. GMAP VISITS

7.1. The College has submitted one GMAP returns during the year ended 31 July 2008. The returns submitted were as follows:

a) 02/07/2008 – College Financial Return.

7.2. There were no GMAP visits during the year.

7.3. We recommend that any reports from future GMAP visits should be forwarded to us so that they can be reviewed as part of our audit work.

8 PREVENTION AND DETECTION OF FRAUD AND IRREGULARITIES

Objective and Approach

- 8.1 The Code sets out that the College should establish arrangements for the prevention and detection of fraud and other irregularities as part of its Corporate Governance procedures.
- 8.2 An assessment was made of the adequacy of the systems and controls for the prevention and detection of fraud and irregularities using a bespoke checklist.
- 8.3 In the course of the audit we have reviewed the following areas with regard to the prevention and detection of fraud and irregularities:
- a) The monitoring and compliance with financial procedures;
 - b) The College's strategy to prevent and detect fraud and other irregularities;
 - c) The internal controls operated for segregation of duties, authorisation and approval processes and reconciliation procedures.
- 8.4 We emphasise that our audit of the financial statements is planned to ensure there is a reasonable expectation of detecting misstatements arising from fraud or other irregularity that are material in relation to those financial statements, but cannot be relied upon to detect all frauds and irregularities.

Opinion

- 8.5 Overall we concluded that management takes fraud prevention and detection seriously and has reliable controls in place to ensure that potential areas for fraud are detected.

Recommendations

- 8.6 There are no recommendations in this area.

9 MANAGEMENT LETTER – 2007

9.1 The management letter for the year ended 31 July 2007 was issued by Wylie & Bisset following the audit for that year. This included two recommendations as follows:

9.2 Bank interest received

9.2.1 Tax on bank interest had been received after deduction of income tax. As a registered charity, the College does not pay tax on interest received and can ask the bank to pay the interest gross.

9.2.2 Wylie & Bisset recommended that the College contact the bank to have the status on the bank account changed. The College would also be allowed to claim the back tax for the two years that the account has been opened. This was designated high priority.

9.2.3 The College have reclaimed the back tax and have changed the status on the bank account. We are satisfied that this recommendation has been acted upon appropriately.

9.3 Payroll reconciliation:

9.3.1 As had been requested by the previous auditors, the College prepare a cumulative payroll reconciliation for gross pay and a monthly adjustment for any other deductions. This system made is difficult to agree the payroll records to the final accounts.

9.3.2 Wylie & Bisset recommended that the pro-forma be updated and revised as necessary to allow a visible audit trail from source documents to final accounts in future years. This was designated a low priority.

9.3.3 A copy of the draft pro-forma reconciliation was forwarded and approved by the external auditors for use. However, following staff changes this pro-forma has not been used and during the year under review, no reconciliation between the wages records and financial accounts was performed.

9.3.4 One of the points raised in the 2007 management letter has not been fully auctioned during the year. This has been carried forward to the 2008 management letter.

10. MANAGEMENT LETTER – 2008

10.1 The recommendations following the audit for the year ended 31 July 2008 are set out below.

10.2 The recommendations have been graded as follows:

High Priority Recommendations addressing significant control weaknesses which should be implemented immediately.

Medium Priority Recommendations addressing significant control weaknesses which should be addressed in the medium term.

Low Priority Recommendations which, although not addressing significant weaknesses, would either improve efficiency or ensure that the college matches current good practice.

10.3 Payroll reconciliations

10.3.1 No reconciliations had been prepared between the payroll records and financial account during the year. The “reconciliation” provided to us once this was highlighted to management was a summary of the nominal ledger. Note that the lack of visible audit trail was highlighted in the prior year management letter and a pro-forma agreed at this stage. However, following staff changes, this template has not been utilised.

10.3.2 Wylie & Bisset recommend that the pro-forma be used to perform regular reconciliations between the payroll records and nominal ledger to allow a visible audit trail from source documents to final accounts in future years.

10.3.3 This is designated a low priority.

10.3.4 Management have responded that:

Finance Staff currently reconcile all payroll control accounts, however the reconciliation of the template was not prepared due to uncertainties over data requirements. This will be taken forward without our External Auditors in the new financial year (2008/09).

10.4 Intercompany differences

10.4.1 The intercompany balances between the college and its trading subsidiary did not agree by an amount of £1,500. Whilst this is not material, given the nature of the balances the materiality concept is not wholly applicable. These balances should match in order to allow for elimination on consolidation.

10.4.2 Wylie & Bisset recommend that the intercompany accounts be reconciled on a quarterly basis in order to identify any differences arising in order that these can be investigated and resolved on a timely basis.

10.4.3 This is designated a low priority.

10.4.4 Management have responded that:

A late journal entry (No: 5894) was posted on 19/08/08, which inadvertently was not credited to the College's Intra Group balance account. This will be corrected.

APPENDIX A

**STATEMENT OF RESPONSIBILITIES OF THE BOARD OF
GOVERNORS**

◆ **STATEMENT OF THE BOARD OF GOVERNORS' RESPONSIBILITIES**

In accordance with the College's Constitution, the Board of Governors of Jewel & Esk College is responsible for the administration and management of the affairs of the College, including ensuring an effective system of internal control, and is required to present audited financial statements for each financial year.

The Board of Governors is responsible for ensuring that proper accounting records are maintained which disclose with reasonable accuracy at any time the financial position of the College and to enable it to ensure that the financial statements are prepared in accordance with the College Constitution, the Statement of Recommended Practice: Accounting in Further and Higher Education Institutions and other relevant accounting standards. In addition within the terms and conditions of a Financial Memorandum agreed between the Scottish Funding Council and the College's Board of Governors, the Board of Governors, through its designated office holder, is required to prepare financial statements for each financial year which give a true and fair view of the College's state of affairs and of the surplus or deficit and cash flows for that year.

In causing the financial statements to be prepared, the Board of Governors has ensured that:

- suitable accounting policies are selected and applied consistently;
- judgments and estimates are made that are reasonable and prudent;
- applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- the financial statements are prepared on the going concern basis, unless it is inappropriate to presume that the College will continue in operation.

The Board of Governors has a responsibility to:

- ensure that funds from the Scottish Funding Council are used only for the purposes for which they have been given and in accordance with the Further and Higher Education (Scotland) Act 1992, the College's Financial Memorandum with the Scottish Funding Council and any other conditions which the Scottish Funding Council may from time to time prescribe;
- ensure that there are appropriate financial and management controls in place to safeguard public funds and funds from other sources;
- safeguard the assets of the College and hence to take reasonable steps to prevent and detect fraud;
- ensure reasonable steps have been taken to secure the economical, efficient and effective management of the College's resources and expenditure; and
- ensure sound corporate governance and the proper conduct of the College's operations.

The key elements of the College's system of internal financial control, which is designed to discharge the responsibilities set out above, include the following:

- clear definitions of the responsibilities of, and the authority delegated to, heads of academic and administrative departments;
- a comprehensive medium and short-term planning process, supplemented by detailed annual income, expenditure, capital and cash flow budgets;
- regular reviews of key performance indicators and business risks and monthly reviews of financial results involving variance reporting and updates of forecast outturns;
- clearly defined and formalised requirements for approval and control of expenditure, with investment decisions involving capital or revenue expenditure being subject to formal detailed appraisal and review according to approval levels set by the Board of Governors;
- comprehensive Financial Regulations, detailing financial controls and procedures, approved by the Audit Committee and General Purposes Committee;
- a professional Internal Audit team whose annual programme is approved by the Audit Committee and endorsed by the Board of Governors and whose head provides the Board of Governors with a report on internal audit activity within the College and an opinion on the adequacy and effectiveness of the College's system of internal control, including internal financial control.

Any systems of internal financial control can, however, only provide reasonable, but not absolute assurance against material misstatement or loss.

Statement of disclosure to Auditors

- So far as the Board of Governors are aware, there is no relevant audit information of which the College's auditors are unaware, and
- it has taken all the steps that it ought to have taken as a Board of Governors to make itself aware of any relevant audit information and to establish that the College's auditors are aware of that information.



Tom Drake OBE
Chairman of Board of Governors
27 October 2008

INDEPENDENT AUDITORS REPORT

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE BOARD OF GOVERNORS OF JEWEL & ESK COLLEGE, THE SCOTTISH PARLIAMENT AND THE AUDITOR GENERAL FOR SCOTLAND

We have audited the financial statements of Jewel & Esk College for the year ended 31 July 2008 under the Further and Higher Education (Scotland) Act 1992. These comprise the Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement and Statement of Total Recognised Gains and Losses and the related notes. These financial statements have been prepared under the accounting policies set out within them.

This report is made solely to the parties to whom it is addressed in accordance with the Public Finance and Accountability (Scotland) Act 2000 and for no other purpose. In accordance with paragraph 123 of the Code of Audit Practice approved by the Auditor General for Scotland, we do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

Respective responsibilities of the Board of Governors, Accountable Officer and Auditor

The Board of Governors and Accountable Officer are responsible for preparing the Annual Report and the financial statements in accordance with the Further and Higher Education (Scotland) Act 1992 and the Accounts Direction issued thereunder by the Scottish Funding Council which requires compliance with the Statement of Recommended Practice on Accounting in Further and Higher Education Institutions. They are also responsible for ensuring the regularity of expenditure and income. These responsibilities are set out in the Statement of Board and Accountable Officer's Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and with International Standards on Auditing (UK and Ireland) as required by the Code of Audit Practice approved by the Auditor General for Scotland.

We report our opinion as to whether the financial statements give a true and fair view and have been properly prepared in accordance with the Further and Higher Education (Scotland) Act 1992 and the Accounts Direction. We also report if, in our opinion, the Foreword is not consistent with the financial statements, if the body has not kept proper accounting records, or if we have not received all the information and explanations we require for our audit. We also report whether in all material respects

- the expenditure and income shown in the financial statements were incurred or applied in accordance with any applicable enactments and guidance issued by the Scottish Ministers;
- funds provided by the Scottish Funding Council have been applied in accordance with the Financial Memorandum dated 1st January 2006 and any other terms and conditions attached to them for the year ended 31 July 2008; and
- funds from whatever source administered by the college for specific purposes have been properly applied for the intended purposes.

We review whether the Corporate Governance Statement reflects the college's compliance with the requirements of the Scottish Funding Council. We report if, in our opinion, it does not comply with these requirements or if it is misleading or inconsistent with other information we are aware of from our audit of the financial statements. We are not required to consider, nor have we considered, whether the statement covers all risks and controls. Neither are we required to form an opinion on the effectiveness of the college's corporate governance procedures or its risk and control procedures.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE BOARD OF GOVERNORS OF JEWEL & ESK COLLEGE, THE SCOTTISH PARLIAMENT AND THE AUDITOR GENERAL FOR SCOTLAND (CONTINUED)

We read the other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of audit opinion

We conducted our audit in accordance with the Public Finance and Accountability (Scotland) Act 2000 and International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board as required by the Code of Audit Practice approved by the Auditor General for Scotland. An audit includes examination, on a test basis, of evidence relevant to the amounts, disclosures and regularity of expenditure and income included in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Board of Governors and Accountable Officer in the preparation of the financial statements, and of whether the accounting policies are appropriate to the college's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error, and that in all material respects the expenditure and income shown in the financial statements were incurred or applied in accordance with any applicable enactments and guidance issued by the Scottish Ministers. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

Financial statements

In our opinion

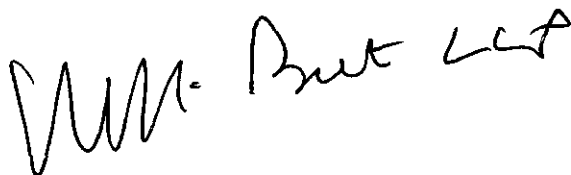
- the financial statements give a true and fair view, in accordance with the Further and Higher Education (Scotland) Act 1992 and the Accounts Direction, of the state of affairs of the College as at 31 July 2008 and of its surplus, total recognised gains and losses and cash flows for the year then ended;
- the financial statements have been properly prepared in accordance with the Further and Higher Education (Scotland) Act 1992 and the Accounts Direction made thereunder; and
- information which comprises the Operating and Financial Review included with the Annual Report is consistent with the financial statements.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE BOARD OF GOVERNORS OF JEWEL & ESK COLLEGE, THE SCOTTISH PARLIAMENT AND THE AUDITOR GENERAL FOR SCOTLAND (CONTINUED)

Regularity

In our opinion in all material respects

- the expenditure and income shown in the financial statements were incurred or applied in accordance with any applicable enactments and guidance issued by the Scottish Ministers;
- funds provided by the Scottish Funding Council have been applied in accordance with the Financial Memorandum dated 1st January 2006 and any other terms and conditions attached to them for the year ended 31 July 2008; and
- funds from whatever source, administered by the college for specific purposes have been properly applied for the intended purposes.



Wylie & Bisset LLP
Chartered Accountants and Registered Auditors
168 Bath Street
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27 October 2008