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INFRASTRUCTURE, GOVERNMENT & HEALTHCARE

North Glasgow College

Annual audit report to the Board of Management of North Glasgow College and the Auditor General for Scotland

Audit: year ended 31 July 2007
18 December 2007

AUDIT

AUDIT ▪ TAX ▪ ADVISORY

Contents

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If at any time you would like to discuss with us how our services can be improved or if you have a complaint about them, you are invited to contact David Watt, who is the engagement leader for our services to the College, telephone 0141 300 5695, email david.watt@kpmg.co.uk who will try to resolve your complaint. If your problem is not resolved, you should contact Lorraine Bennett, our Head of Audit in Scotland, either by writing to her at Saltire Court, 20 Castle Terrace, Edinburgh, EH1 2EG or by telephoning 0131 222 2000 or email to lorraine.bennett@kpmg.co.uk. We will investigate any complaint promptly and do what we can to resolve the difficulties. After this, if you are still dissatisfied with how your complaint has been handled you can refer the matter to Russell Frith, Director of Audit Strategy, Audit Scotland, 110 George Street, Edinburgh, EH2 4LH.

Executive summary

This report summarises our work for the 2006-07 year and our findings in relation to our audit of the financial statements, financial reporting and corporate governance arrangements.

Financial statements

On 18 December 2007 we issued an audit report expressing a qualified opinion on the financial statements of the College for the year ended 31 July 2007.

The Board of Management has accounted for the College's participation in the Strathclyde Pension Fund on a defined contribution basis under FRS 17. In our view, taking into account the work of our actuarial staff and specific discussions with the scheme actuaries, the exemptions under FRS 17 are not available to the College and its participation should therefore be accounted for as a defined benefit scheme.

If the surplus in the College's share of the Fund at 31 July 2007 of approximately £317,000 were able to be recognised in full as a pension asset (31 July 2006: pension liability of approximately £1,040,000), we estimate that accounting for the College's participation in the Fund as a defined benefit pension scheme would increase the College's net assets at 31 July 2007 by approximately £575,000 (2006: £830,000 decrease), reduce its deficit for the year by approximately £175,000 (2006: increase the surplus by £100,000) and increase its total recognised gains and losses for the year by approximately £1,230,000 (2006: £725,000).

Our audit opinion is qualified in respect of the adjustments and disclosures that would be required to comply with FRS 17. In all other respects our opinion is unqualified. Our opinion on the regularity of transactions is also unqualified.

The College has continued to progress the construction of its new build project. Total costs of the project are estimated at around £41 million. During 2006-07, the College agreed the sale of its existing Flemington Street building to a developer, with the sale to be completed on exit of the building and transfer to the new campus building. Consequently, the College recognised the need within its draft financial statements to recognise impairment of the building from its current carrying value to the estimated sales price, plus two years remaining normal depreciation. We reviewed the accounting treatment and were satisfied with the accounting entries processed by the College.

Financial position

The College made a deficit on operating activities of £741,000 primarily as a result of the accelerated depreciation charge required on the Flemington Street building. The underlying result for the year was a surplus of £1,043,000. The College has designated £500,000 of the surplus for re-investment in teaching materials within the new build campus. The College's financial forecast return to the Scottish Funding Council in June 2007 forecast an outturn deficit of £1,361,000 due to the accelerated depreciation. The variance against this position was due to additional income received and a slow down of expenditure towards the financial year end.

Governance and strategy

There are no significant weaknesses disclosed in the statement on internal control, and no significant control weaknesses were identified through our work on the control systems within the College. Based on our work, we have made a number of recommendations to improve the overall control environment.

The approved internal audit programme for 2006-07 has been completed and the internal auditors have concluded that the College "has a framework of control which provides assurance regarding the effective and efficient achievement of the College's objectives."

We are not required to provide an opinion on the College's system of internal control. We have reviewed the corporate governance statement and consider it consistent with our understanding of the process followed by the College during the year. The corporate governance statement highlights the Board of Management's commitment to best practice in corporate governance.

Introduction

Audit framework

2006-07 was the first year of our five-year appointment as external auditors of North Glasgow College ("the College"). This report to the Board of Management of the College and the Auditor General for Scotland summarises our opinion and conclusions and highlights significant issues arising from our work.

In accordance with Audit Scotland's *Code of Audit Practice*, the scope of the audit was to:

- provide an opinion on the College's financial statements and, as required by relevant authorities, the regularity of transactions;
- review and report on (as required by relevant legislation, the Code and any guidance issued by Audit Scotland):
  - the College's corporate governance arrangements as they relate to: its review of systems of internal control; the prevention and detection of fraud and irregularity; standards of conduct, and prevention and detection of corruption; and its financial position
  - the College's arrangements to achieve Best Value
  - other aspects of the College's arrangements to manage its performance, as they relate to economy, efficiency and effectiveness in the use of resources.

The framework under which we operate under appointment by Audit Scotland was outlined in the audit plan for the year discussed with the College's audit committee.

Basis of information

External auditors do not act as a substitute for the Board of Management's own responsibilities for putting in place proper arrangements to account for its stewardship of resources made available to it and its financial performance in the use of those resources, to ensure the proper conduct of its affairs, including compliance with relevant guidance, the legality of activities and transactions, and for monitoring the effectiveness of those arrangements and, through its principal, to make arrangements to secure Best Value.

Acknowledgement

Our audit has continued to bring us into contact with a range of College staff. We wish to place on record our appreciation of the co-operation and assistance extended to us by staff during the first year of our work in the discharge of our responsibilities. We also note the high quality of the College's preparation for the audit.

Financial commentary

This section of our report summarises the main features of the financial statements and key movements from the prior financial year.

Income and expenditure account

The deficit for the year of £741,000 is 6.3% of total income (2005-06: £531,000 and 4.8%). Based on 2005-06 financial statements the sector average was around 2% surplus. The result for the year has been affected by the need to recognise accelerated depreciation on the College's Flemington Street building. The underlying surplus before the accelerated depreciation charge was £1,043,000. The College has designated £500,000 of this surplus for re-investment in teaching equipment within their new build.

Income

Total income increased by £2,061,000 (18.5%). The increase is primarily due to an increase of £1,460,000 in funding from the Scottish Funding Council in 2006-07 and an increase in other operating income of £126,000, with the rest of the increase due to additional release of deferred capital grants as a result of the accelerated depreciation charge. The College has also generated higher than expected levels of interest receivable in the year as a result of a positive cashflow position on the new build project. The following table identifies the sources of income in 2005-06 and 2006-07.

	2006-07 £'000	***2006-06 £'000***	**2006-07 %**	***2005-06 %***
Scottish Funding Council grants	10,587	*8,767*	80%	*79%*
Tuition fees and education contracts	1,888	*1,916*	15%	*17%*
Other operating income	434	*308*	3%	*3%*
Endowment and investment income	286	*143*	2%	*1%*
Total income	**13,195**	***11,134***	**100%**	***100%***

The majority of income is received from the Scottish Funding Council, with the proportion of income received from the various sources consistent year on year. At 80%, the percentage of income received from the Scottish Funding Council is slightly higher than other comparable colleges according to the Scottish Funding Council's performance indicators for 2005-06.

Expenditure

Overall, total expenditure has increased by £3,036,000 (29%), which is more than the equivalent movement in income due to the accelerated depreciation charge. The most significant movements in expenditure are:

- an increase of £598,000 in staff costs, relating to general pay increases;
- an increase of £2,536,000 in depreciation charges due to the accelerated depreciation charge offset; and
- a decrease of £215,000 in other operating expenses.

The following table identifies the key elements of expenditure in 2005-06 and 2006-07.

	2006-07 £'000	*2006-06 £'000*	2006-07 %	*2005-06 %*
Staff costs	8,169	*7,571*	59%	*71%*
Other operating expenditure	2,471	*2,632*	18%	*25%*
Depreciation (including accelerated depreciation element)	3,296	*400*	23%	*4%*
Total expenditure	**13,936**	***10,603***	**100%**	***100%***

The proportion of expenditure on the various elements has varied year on year due to the exceptional nature of the total depreciation charge for the year.

Balance sheet

The College has reported an increase in net assets of £9,787,000 during the year. The balance sheets at 31 July 2006 and 2007 are as follows:

	2006-07 £'000	*2005-06 £'000*
Fixed assets		
Tangible assets	19,992	*11,292*
Current assets		
Stock	3	*3*
Debtors	384	*725*
Cash at bank and in hand	6,811	*4,872*
Creditors due within one year	3,084	*2,475*
Net current assets	**4,114**	***3,125***
Provisions for liabilities and charges	1,985	*2,083*
Net assets	**22,121**	***12,334***
Deferred capital grants	15,739	*5,211*
Revaluation reserve	3,276	*5,060*
General Reserve	2,605	*1,562*
Restricted Reserve	501	*501*
Total	**22,121**	***12,334***

Significant movements during the year include:

- an increase in the fixed asset base of £8,700,000, due to fixed asset additions of £11,996,000 offset by the depreciation charge for the year of £3,296,000;
- the increase in fixed assets is matched by an increase in deferred capital grants of £10,528,000 through which the campus new build has been primarily funded; and
- an increase in working capital balances of £989,000, due primarily to movements related to the new build project.

Financial forecasting

The College originally budgeted for an operating deficit of £464,000 for 2006-07, but the forecast was dependent on the level of accelerated depreciation required on the Flemington Street building. The forecast was revised to a deficit of £1,361,000 in June 2007 once the indicative market value was known. The actual outturn as at 31 July 2007 was a deficit of £741,000. The following table summarises the significant year end movements.

	£'000
2006-07 forecast outturn per the financial forecast return - June 2007	**(1,361)**
Additional funding from the Scottish Funding Council	127
Increase in tuition fees and education contract income	104
Increased investment return on term deposits	156
Decrease in other operating expenses at the year end, including deferment of purchase of document management system	214
Other movements	19
2006-07 actual outturn at 31 July 2007	**(741)**

Source: North Glasgow College (October 2007)

The following table summaries the forecast income, expenditure and cash balances for the College.

2007-08	**£'000**
Income	12,193
Expenditure	12,028
Forecast surplus for the year ending 31 July 2008	**165**
Cash balance at 31 July 2007	6,811
Forecast cash balance at 31 July 2008	3,191
Forecast movement in cash during 2007-08	**(3,620)**

Source: North Glasgow College (June 2007)

As the College is currently forecasting a smaller surplus for 2007-08, it will be important for the College to monitor costs closely during the year, consider whether savings and efficiency savings targets are attainable and revise the forecasts for 2007-08 as appropriate.

Governance and risk management

Introduction

Corporate governance is concerned with structures and processes for decision-making, accountability, control and behaviour. The three fundamental principles of corporate governance – openness, integrity and accountability – apply to all bodies.

Through its principal, the Board of Management of the College is responsible for establishing arrangements for ensuring the proper conduct of its affairs, including compliance with relevant guidance, the legality of activities and transactions, and for monitoring the adequacy and effectiveness of these arrangements. The *Code* requires auditors to review and report on the College's corporate governance arrangements as they relate to:

- the College's reviews of its systems of internal control, including its reporting arrangements;
- the prevention and detection of fraud and irregularity;
- standards of conduct and arrangements for the prevention and detection of corruption; and
- its financial position.

Management is responsible for establishing arrangements for the conduct of its affairs, including compliance with applicable guidance, ensuring legality of activities and transactions and monitoring the adequacy and effectiveness of these arrangements in practice.

Governance arrangements

The Board of Management has 15 full members and meets a minimum of four times a year to oversee the College's strategic plans. It is supported in this role by the senior management team. The College operated four key standing committees during 2006-07, namely finance, audit, human resources and property. The College has also recently constituted a learning and teaching committee to consider external and internal information relevant to the College's academic direction. In addition, there is a nominations committee and a remuneration committee. This governance structure, which includes non-executive, student and academic representation, is demonstrative of best practice and meets the minimum requirements of the Scottish Funding Council. The committee structure provides the Board of Management with the framework to ensure appropriate oversight and monitoring of financial and academic activities.

Risk management

A formal risk management policy is in place, approved by the Board of Management. The College has also established a risk management group and a programme of risk awareness training has been introduced. A risk assessment matrix is updated regularly for consideration by the Board of Management. This matrix includes details of the risk identified, the potential impact of the risk, the control action established to mitigate the risk and the person or committee responsible for managing the risk.

Systems of internal control

Corporate governance statement

Internal audit monitor the systems of internal control, risk management controls and governance processes in accordance with an agreed plan of input, and report their findings to management and the audit committee. Management is responsible for the implementation of agreed audit recommendations and internal audit undertake periodic follow up reviews to ensure that such recommendations have been implemented. The audit committee considers detailed reports together with recommendations for the improvement of the College's systems of internal control and management's responses and implementation plans.

The corporate governance statement for 2006-07 provides details of the internal control environment and risk and control framework. The Board of Management highlights its commitment to exhibiting best practice in all aspects of corporate governance.

The College has made a fully compliant corporate governance statement. We are required to review this to assess whether the description of the process adopted by the College in reviewing the effectiveness of the system of internal control is consistent with our understanding of the process and report any inconsistencies in our opinion. We are not required to provide an opinion on the College's system of internal control.

We have reviewed the corporate governance statement and consider it consistent with our understanding of the process followed by the College during the year.

Internal audit

The approved internal audit programme for 2006-07 has been completed and the internal auditors have concluded that the College "has a framework of control which provides assurance regarding the effective and efficient achievement of the College's objectives." They have also concluded that, based on the areas they have examined in 2006-07, the College has "proper arrangements to promote and secure value for money".

Internal controls

Drawing on the work of internal audit, in accordance with our plan we undertook detailed testing in relation to both entity-level and key financial controls. We identified a number of areas for enhancement, including implementation of a formal process in respect of the notification of leavers to the IT department and introduction of more robust controls over journal entries. Recommendations are included in the action plan in appendix one and have been accepted by management.

Testing of the design and operation of controls over significant risk points in terms of major financial systems confirms that, subject to the minor weaknesses reported, controls are designed appropriately and operating effectively.

Charities and Trustee Investment (Scotland) Act 2005

The Charities and Trustee Investment (Scotland) Act 2005 ("the Act") came into force in April 2006, introducing new duties and responsibilities for the Office of the Scottish Charity Regulator ("OSCR"). Over time OSCR intends to undertake a rolling review of charities entered in the Scottish charity register to assess whether they meet, and continue to meet, the charity test: purposes will have to be charitable in the context of the charity test set out in section 7 of the Act 2005 and charities will have to show that they provide public benefit.

OSCR recently reported the results of its pilot review and that six of the eight organisations satisfied the 'public benefit' test. John Wheatley College was identified as one of the two organisations that do not meet the requirements. The report concluded that "*John Wheatley College has exclusively charitable purposes and provides public benefit. However, the Charity Test was not met as its constitution expressly permits Scottish Ministers or a Minister of the Crown to direct or otherwise control its activities.*" OSCR's report clearly states that the results of the review cannot necessarily be applied to similar organisations but there is an expectation within the sector that the charitable status of further education colleges is at risk because the ministerial control identified by OSCR exists in the Further and Higher Education (Scotland) Act 1992 (as amended by the Further and Higher Education (Scotland) Act 2002.

The College will need to consider this risk appropriately within its risk management arrangements and keep themselves informed of further developments.

Prevention and detection of fraud and irregularity

The College has a fraud policy and procedure available for staff to view on the intranet. The policy is reviewed every two years, with the most recent review taking place in March 2007. The College also has an unethical behaviour and whistle blowing policy which was reviewed in July 2007. Significant frauds would be reported to the audit committee.

Management has not reported any material instances of fraud or irregularity in 2006-07.

Standards of conduct

Board members and staff are required to operate in accordance with the College's internal code of conduct setting out the required minimal ethical and behavioural expectations. This is reviewed every two years, with the most recent review in March 2007. There are comprehensive human resources policies and procedures providing additional guidance to staff which are readily accessible to staff on the intranet. There is also a formal register of interests for recording members of the board of management and senior managers' interests. This is regarded as best practice and assists in demonstrating consideration of independence in decision-making and the awarding of contracts.

Best Value

The 2006-07 planning guidance for further education colleges issued by Audit Scotland indicated that there was no requirement for auditors to undertake performance audit or other Best Value studies during the year.

Financial statements audit

Audit opinion

On 18 December 2007 we issued an audit report expressing a qualified opinion on the financial statements of the College for the year ended 31 July 2007. Financial reporting standard 17 'retirement benefits' ("FRS 17") paragraph nine states that '*Where more than employer participates in a defined benefit scheme the employer should account for the scheme as a defined benefit scheme*'. This indicates that there is a presumption that a defined benefit scheme will be accounted for on a defined benefit basis unless one of the two possible exemption criteria is met, which are:

- employers contributions are set in relation to the current service period, i.e. not impacted by any past surplus or deficit of the fund; or
- the employer is unable to identify its share of the underlying assets and liabilities in the fund on a consistent basis.

The Board of Management has accounted for the College's participation in the Strathclyde Pension Fund ("the Fund") on a defined contribution basis under FRS 17. It is understood that the Board of Management believes that the College is entitled for its current service obligations to use the multi-employer exemption permitted by FRS 17, which allows a defined benefit scheme to be accounted for as it was a defined contribution scheme when a body cannot identify its share of the assets and liabilities in the pension scheme.

Consequently, in respect of current service, the financial statements have been prepared on the basis of an accounting policy of charging pension costs to the income and expenditure account on the basis of contributions made during the financial year. In our view, taking into account the work of our actuarial staff and specific discussions with the scheme actuaries, the exemptions under FRS 17 are not available to the College and its participation should therefore be accounted for as a defined benefit scheme. The conclusion is based on consideration of the facts presented by the Fund's actuaries against the two specific exemptions outlined above:

- the common contribution rate takes into account any surplus or deficit in the Fund and differing contribution rates are calculated with regard to the circumstances of employers (or homogenous groups of employers) and allows for any surplus or deficit attributable to them;
- allocation of assets to individual employers can be performed on the basis that assets can be derived based on movements in the liabilities, which can be explicitly measured and allocated to individual employers, in addition to measurement of gains and losses on assets and liabilities, both of which are based on the experience of the individual employer during the year.

As a result, in our opinion pension costs should be charged to the income and expenditure account on the basis of reflecting the cost of benefits earned in the period and its share of assets and liabilities in the Fund should be included within the balance sheet of the College.

If the surplus in the College's share of the Fund at 31 July 2007 of approximately £317,000 were able to be recognised in full as a pension asset (31 July 2006: pension liability of approximately £1,040,000), we estimate that accounting for the College's participation in the Fund as a defined benefit pension scheme would increase the College's net assets at 31 July 2007 by approximately £575,000 (2006: £830,000 decrease), reduce its deficit for the year by approximately £175,000 (2006: increase the surplus by £100,000) and increase its total recognised gains and losses for the year by approximately £1,230,000 (2006: £725,000).

Our audit opinion is qualified in respect of the adjustments and disclosures that would be required to comply with FRS 17. In all other respects our opinion is unqualified. Our opinion on the regularity of transactions is also unqualified.

Regularity

There were no issues arising from the regularity audit. We reviewed the minutes of the College's key committees, including the board of management and audit committee meetings. From these, we have established that the College has procedures in place to ensure discussion of key guidance from the Scottish Funding Council, as well as other relevant laws and regulations.

Management representations obtained from the principal included our standard representation that during 2006-07 the College had complied with all necessary laws and regulations.

Fixed assets

The College has continued to progress the construction of its new build project. Total costs of the project are estimated at around £41 million, with the majority of funding to be received from the Scottish Funding Council, European Regional Development Funding, and capital receipts. During 2006-07, the College agreed the sale of its existing Flemington Street building to a developer, with the sale to be completed on exit of the building and transfer to the new campus building. Based on the sale price agreed, the College expects to have met its funding gap on the new build project and will not require to borrow additional funding.

The College currently expects completion of the new build in summer 2008, with completion of the sale of the Flemington Street building by the end of 2008. Consequently, the College recognised the need within its draft financial statements to recognise impairment of the building from its current carrying value to the estimated sales price, plus two years remaining normal depreciation. We reviewed the accounting treatment and were satisfied with the accounting entries processed by the College.

Report to those charged with governance

At the audit committee meeting on 27 November 2007 we discussed our "report to those charged with governance" which is required under International Auditing Standard 260. This dealt with relevant aspects of the College's financial statements production process, amendments to draft financial statements during the audit process, the treatment of uncorrected audit differences and the content of the representation letter from the principal to us.

Appendix – action plan

Priority rating for performance improvement observations raised		
Grade one (significant) observations are those relating to business issues, high level or other important internal controls. These are significant matters relating to factors critical to the success of the College or systems under consideration. The weakness may therefore give rise to loss or error.	**Grade two** (material) observations are those on less important control systems, one-off items subsequently corrected, improvements to the efficiency and effectiveness of controls and items which may be significant in the future. The weakness is not necessarily great, but the risk of error would be significantly reduced if it were rectified.	**Grade three** (minor) observations are those recommendations to improve the efficiency and effectiveness of controls and recommendations which would assist us as auditors. The weakness does not appear to affect the availability of the controls to meet their objectives in any significant way. These are less significant observations than grades one and two, but we still consider they merit attention.

No.	Issue and performance improvement observation	Management response	Officer and due date
1	No record is kept of supplier statement reconciliations. There is a risk that a clear audit trail is not maintained. It is recommended that supplier statement reconciliations should be signed as completed and retained on file to provide assurance that liabilities are complete. *Grade 2*	It is proposed that statements will be kept on file for the months of June, July and August.	Director of Finance – 2007-08
2	Individual bank reconciliations are not prepared for each account, instead a single bank reconciliation is prepared encompassing all accounts. There is a risk that bank accounts are not clearly reconciled and errors or omissions may not be easily identified. It is recommended that separate bank reconciliations should be produced for each bank account. *Grade 3*	Not agreed. The reconciliation of all the bank accounts combined is prepared each month.	-

3	Audit work identified some control weaknesses in respect of the College's debt collection procedures: • Reminder letters are discarded after debts have been settled; • No record is kept of letters sent to overdue self-financing fee students. It is recommended that procedures should be put in place to ensure there is a clear record of debts that have been pursued, actions taken and outcomes to provide assurance that fee income due to the College is complete. *Grade 3*	Not agreed. Once a debt is paid at the reminder letter stage no record is kept and the College can see no purpose in changing that procedure. At lawyer stage, once a debt has been paid the lawyers letter is attached to the cheque sheet and filed in receipts from debtors. For any debtors written off, all paperwork is filed.	-
4	Exception reports detailing variances between current and prior period pay runs are not run. There is a risk that erroneous items are not identified. It is recommended that exception reports showing significant variances between the current and prior month's payroll are run and that significant variances are investigated. Reports should be annotated with actions taken and be subject to independent review. *Grade 2*	Human Resources will check all positive entries have been actioned by the payroll contractor.	Director of Human Resources Effective immediately.
5	A number of control weaknesses were identified in respect of journals entries to the ledger: • Journal entries are not independently reviewed; • In many cases no back-up is attached to the journal header sheet to support the entry to the ledger; • Journal entries do not have individual unique entry numbers, instead often being posted in batch form. There is a risk that incorrect or erroneous entries are made to the ledger and that a clear audit trail is not maintained. Management should ensure that all journal entries are independently reviewed and that the journal header sheet is signed by the person who input the journal and the person who reviewed the entry to provide evidence of sufficient segregation of duty. Supporting documentation should be attached to all journal header sheets and a unique sequential number should be assigned to journal entries. *Grade 2*	The main journals of the month i.e. the cashbook income and expenditure are crossed checked by the cashbook ledger reconciliation and signed by either the Finance Manager or the Director of Finance. Where back up is available it will be attached to the journal otherwise there will be an explanation of the entries written on the face of the journal Each journal currently has a unique journal number within each journal batch	-

6	The College has two main server rooms, one of which is also used for the storage of files, while the other is located off one of the College IT suites which is used by students. The server room on the top floor of the building has experienced a leak through the ceiling in the past and part of the ceiling has fallen in. The servers in this room hold student data (i.e. student work and email). Ventilation to both rooms is provided via mobile air conditioning units, which has been deemed inadequate by the IT manager. There is a risk that both College and student data could be lost which may lead to major operational problems for the College While it is acknowledged that the College will be moving to its new build facility within the next year, it is recommended that the physical security of the server rooms is reviewed to ensure arrangements are appropriate for the remaining period required. *Grade 1*	The College has to operate within the constraints of the existing building. The situation will be resolved when the new College building is occupied.	-
7	There are no enforced password changes in respect of access to computer programmes. Passwords should be a minimum of eight characters long but there are no other complexity parameters such as the requirement for alphanumeric passwords. There is a risk that unauthorised access may be gained to College information. It is recommended that passwords are changed every 60 days and that passwords should be complex (i.e. alphanumeric. *Grade 2*	Agreed.	IT Manager Session 2008-09
8	When full time staff leave their departure is notified to IT by the HR department. However, the process for part time staff is less formal and often they are not informed to IT in a timely manner. As all staff have remote access to College information there is a risk that unauthorised personnel may gain access to College information. A formal process should be introduced to ensure that all leavers user accounts are deleted in a timely manner. *Grade 2*	Many part time staff are on contracts which stop and may start again at regular intervals making it inefficient to constantly issue new passwords each time. However, Human Resources will look at the practicalities of devising a system to resolve this problem.	Director of Human Resources Ongoing.

9	Computer back up is made to a single tape drive on a daily basis by the senior technician. The back up is stored for one month. The back-ups are stored on site in a fire proof safe. No back-ups are held off site. As all back ups are held on site there is a risk that data may be lost. It is recommended that the College investigate options for secure storage of some back-ups off site. *Grade 2*	There is a difficulty in tapes being taken off site each night as there are twelve in total. However the College will give consideration to this point.	IT Manager Session 2007-08

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