



INFRASTRUCTURE, GOVERNMENT AND HEALTHCARE

# Cardonald College

Annual audit report to the Board of Management and  
Auditor General for Scotland  
Year ended 31 July 2009

18 December 2009

AUDIT

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**About this report**

This report has been prepared in accordance with the responsibilities set out within the Audit Scotland's *Code of Audit Practice* ("the Code").

This report is for the benefit of only Cardonald College and is made available to Audit Scotland (together "the beneficiaries"), and has been released to the beneficiaries on the basis that wider disclosure is permitted for information purposes but that we have not taken account of the wider requirements or circumstances of anyone other than the beneficiaries.

Nothing in this report constitutes an opinion on a valuation or legal advice.

We have not verified the reliability or accuracy of any information obtained in the course of our work, other than in the limited circumstances set out in the scope and objectives section of this report.

This report is not suitable to be relied on by any party wishing to acquire rights against KPMG LLP (other than the beneficiaries) for any purpose or in any context. Any party other than the beneficiaries that obtains access to this report or a copy and chooses to rely on this report (or any part of it) does so at its own risk. To the fullest extent permitted by law, KPMG LLP does not assume any responsibility and will not accept any liability in respect of this report to any party other than the beneficiaries.

**Financial commentary**

The financial statements report a surplus for the year of £447,000, compared with a deficit of £1.8 million in 2007-08 which occurred following impairment charges of £3.1 million in that year following valuation of the College's land and buildings. At 31 July 2009 there were retained general reserves of £3.9 million.

The 2009-10 financial plan forecasts a historical cost surplus of £600,000 as prepared in June, but we believe this is overstated by £123,000 due to an error in the calculation of the expected release from the revaluation reserve. The operational surplus will remain unchanged at £465,000.

**Governance and risk management**

The corporate governance statement does not disclose any significant weaknesses in the systems of internal control. The content of the statement is consistent with our understanding and a number of governance improvements have been made following the Board's self evaluation and consideration of best practice. This included establishing two new committees.

During 2008-09 the Board of Management reviewed, updated and approved key governance documents.

The College has in place a formal process to distribute key guidance and circulars. The College formerly maintained a management calendar which included key dates and responses required to circulars. However, this has now been replaced with a system where circulars are added to individual task lists of those responsible.

The approved internal audit programme for 2008-09 has been completed and Internal audit concluded that "Cardonald College did have adequate and effective risk management, control and governance processes to manage its achievement of the College's objectives at the time of our audit work".

We have raised eight recommendations for improvement in governance, risk management and internal control arrangements.

**Financial statements audit**

We issued an audit report expressing a unqualified opinion on the financial statements of the College for 2008-09.

Management provided draft financial statements, which were substantially complete on commencement of our audit fieldwork on 26 October 2009. We noted substantial improvement compared to the prior year, but the consistency of supporting schedules and cross-referencing of them to our prepared by client list could still be improved.

Adjustments were made to the draft financial statements in respect of the treatment of the contractor payment to Keir following settlement of their claims as well as energy accruals, the revaluation reserve and FRS 17. The net impact on the surplus for the year was a reduction of £306,000.

Our audit work is undertaken in accordance with Audit Scotland's *Code of Audit Practice*. This, and supplementary planning guidance issued by Audit Scotland, specifies a number of objectives for our audit.

### **Audit framework**

This was the third of our five-year appointment by the Auditor General for Scotland as external auditors of Cardonald College. This report to the College's Board of Management and the Auditor General provides our opinion and conclusions and highlights significant issues arising from our work.

We outlined the framework under which we operate, under appointment from Audit Scotland, in the audit plan overview discussed with the Board of Management's audit committee on 4 June 2009.

In accordance with Audit Scotland's Code, the scope of our work for 2008-09 was to:

- provide an opinion on the College's financial statements and, as required by the relevant authorities, the regularity of transactions;
- review and report on (as required by relevant legislation, *the Code* and any guidance issued by Audit Scotland):
  - 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; its financial position
  - aspects of the College's arrangements to manage its performance, as they relate to economy, efficiency and effectiveness in the use of resources.

### **Responsibilities of the Board and auditors**

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 the 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 the College principal, to make arrangements to secure Best Value.

### **Acknowledgement**

Our audit work has again brought us into contact with a range of College staff. We wish to place on record our appreciation of the cooperation and assistance extended to us by staff during the discharge of our responsibilities.

## Service overview; overall position for year; income

- The financial statements report a surplus for the year of £447,000, compared with a deficit of £1.8 million in 2007-08 which occurred following impairment charges of £3.1 million in that year as a result of reflecting updated land and buildings valuations in 2007-08.
- At 31 July 2009 there were retained general reserves of £3.9 million and the Scottish Funding Council classifies the College as financially secure.
- The 2009-10 financial plan, as prepared in June, forecasts a historic cost surplus of £600,000, but we believe this is overstated by £123,000 due to an error in the calculation of the expected release from the revaluation reserve. The forecast operating surplus is unchanged at £465,000.

### Service overview

The financial statements report a surplus for the year of £447,000. This compares a loss of £1.8 million in 2007-08 which arose following property impairment charges of £3.1 million. At 31 July 2009 there were retained general reserves of £3.9 million.

### Income

Income for the year has risen by £0.6 million compared to 2007-08, an increase of 3%. As the undernoted table demonstrates, most of the increase has arisen from increases in other operating income. This is attributed to:

- £221,000 increase in tuition fee income as a consequence of higher student numbers; and
- £430,000 increase in other operating income primarily as a result of increased catering income with 2008-09 being the first full year of catering operations following the refurbishment work (£150,000), small reduction in other funding streams (£37,000) and increase in other income generating activities (£317,000).
- £274,000 decrease in investment income, of which £97,000 was due to reductions in market rates of return on investments as a result of the current economic climate and the balance due to FRS 17.

	2008-09 £'000	2007-08 £'000	Movement £'000	Movement %
Scottish Funding Council grants	16,054	16,016	38	0
Tuition fees and education contracts	1,987	1,766	221	13
Other operating income	3,044	2,614	430	16
Investment income	75	342	-267	-78
Other grant income	715	561	154	27
<b>Total</b>	<b>21,875</b>	<b>21,299</b>	<b>576</b>	<b>3</b>

## Expenditure

### Expenditure

Expenditure for the year has fallen from £23.1 million in 2007-08 to £21.4 million (7%). Individually significant movements included:

- a £1.0 million increase in expenditure on wages and salaries primarily as a result of pay inflation; and
- impairment charges incurred in 2007-08 following completion of the refurbishment project and valuation of the College's fixed assets of £3.0 million were not repeated. However, following settlement of the contractor's claim, for Keir, for final project costs, an additional impairment charge of £275,000 was incurred.

	2008-09 £'000	2007-08 £'000	Movement £'000	Movement %
Staff costs	15,111	13,988	1,123	8
Other operating expenses	4,614	4,573	41	1
Depreciation	1,428	1,398	30	2
Impairments / revaluations	275	3,098	-2,823	-91
<b>Total</b>	<b>21,428</b>	<b>23,057</b>	<b>-1,629</b>	<b>-7</b>

## Balance sheet

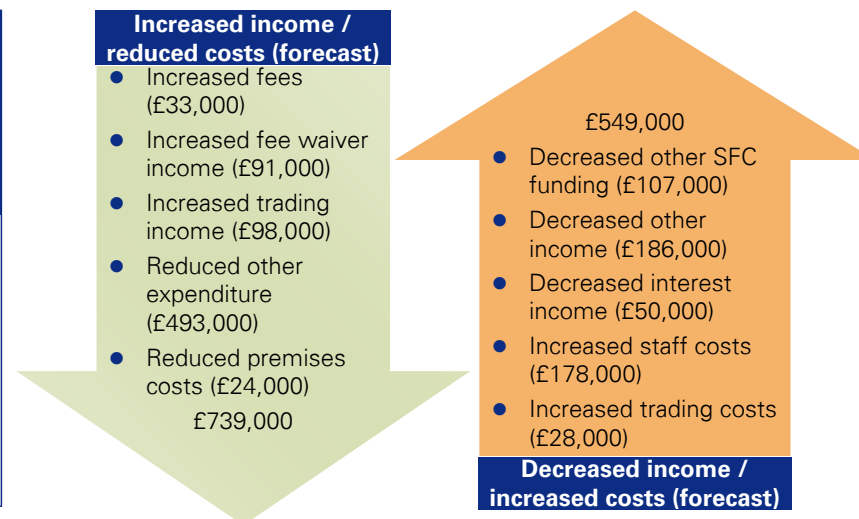
The balance sheet shows no significant change in net assets before pension liabilities as at 31 July 2009 compared to the previous year end. The decrease in net assets after pension liabilities is £2.0 million. Significant movements include:

- an increase in net pension liabilities of £2 million;
- an decrease in tangible fixed assets following impairment charges in the year, of £275,000; and
- £193,000 reduction in debtors primarily due to reductions in accrued income.

	2009 £'000	2008 £'000	Movement £'000	Movement %
Fixed assets	32,684	32,991	-307	1
Stock	22	27	-5	-19
Debtors	756	949	-193	-20
Cash and short-term investments	3,096	3,030	66	2
Creditors: amounts falling due within one year	(3,015)	(3,389)	374	11
Provisions for liabilities and charges	(948)	(896)	-52	-6
Bank loan	(175)	(225)	50	22
<b>Net assets before pension liabilities</b>	<b>32,420</b>	<b>32,487</b>	<b>-67</b>	
Pension liabilities	(2,245)	(281)	-1,954	
<b>Net assets after pension liabilities</b>	<b>30,175</b>	<b>32,206</b>	<b>-2,031</b>	

The following table summarises the 2009-10 financial forecast prepared by College management.

Financial forecasts	2008-09	2008-09	2009-10
	Actual	Forecast	Forecast
	£'000	£'000	£'000
Income	21,875	20,742	21,138
Expenditure	(21,440)	(20,468)	(20,673)
Transfer from revaluation reserve	12	135	135
<b>Forecast surplus for the year ending 31 July 2010</b>	<b>447</b>	<b>410</b>	<b>600</b>



The surplus forecast for 2009-10 is consistent with the actual surplus achieved in 2008-09. Management are forecasting an operating surplus of approximately 2.2% consistently over the next three years. The main movements between the 2008-09 forecast and 2009-10 forecast are shown above.

We note that the financial forecasts submitted to the Scottish Funding Council include an annual release from the revaluation reserve of £135,000. Management have processed an adjustment to the release made in 2008-09 which was originally £135,000 but incorrectly included release of the balance held in the reserve in respect of the campus land. Since the land is not subject to depreciation no release should be made. The correct release is around £17,000 per year.



## Governance and risk management

- The corporate governance statement does not disclose any significant weaknesses in the systems of internal control. The content of the statement is consistent with our understanding and a number of governance improvements have been made following the Board of Management's self evaluation and consideration of best practice. This included establishing two new committees.
- During 2008-09 the Board of Management reviewed, updated and approved key governance documents.
- The College has in place a formal process to distribute key guidance and circulars. The College formerly maintained a management calendar which included key dates and responses required to circulars. There is now an alternative system in place.
- The approved internal audit programme for 2008-09 has been completed and Internal audit concluded that "Cardonald College did have adequate and effective risk management, control and governance processes to manage its achievement of the College's objectives at the time of our audit work".
- We have raised eight recommendations for improvement in governance, risk management and internal control arrangements.

### 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 publicly-funded bodies.

Through the College principal, the Board of Management 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 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 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.

### Governance arrangements

The Board comprises 16 members, including those with relevant skills and expertise in accountancy, marketing and management consultancy to oversee the colleges strategic plans. It is supported in this role by the College Management Team. During the year the board approved the remit of two new Board of Management sub-committees to align its committee structure to that of the further education sector's best practice. The Board of Management now has five standing committees covering:

- finance and resources;
- audit;
- organisational development;
- learning and teaching; and
- remuneration.

This governance structure, which includes non-executive, student and academic representation 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.

Arrangements to secure a permanent secretary to the Board of Management during the year proved difficult, but there is now a secretary in place.

In 2008-09 the Board of Management compiled a paper 'Improvements to Board Governance' and requested the principal take appropriate action, as a result it completed a review of skills needs to ensure it maintains an appropriate mix of skills. The Board of Management also completed a self evaluation report which highlighted a number of areas as concerns, including training, composition and meetings. Members graded aspects of the College's governance. The responses highlighted the following areas for concern: appointment and retention of board members, framework for appointment of senior post holders and individual performance. The outcome of the report and review have led to the Board evaluating and updating governance arrangements.

The Board of Management reviewed, updated and approved key governance documents including constitution and scheme of delegation (to reflect current legislative requirements), code of conduct, scheme of work 2008-10, committee structure, new member induction checklist, Board member job description and membership periods, and financial regulations.

Following the review of governance documents, the College has further reviewed and updated the governance section of the *Promoting Excellence – Review of Scotland's Colleges* ("RoSCo") action plan which it has in place, revising target dates and updating the College's current position. The Board of Management has also approved a new corporate plan outlining the College's future vision, mission and objectives and launched an intranet site accessible to all staff which will contain a compendium of relevant documents. The College website has been updated to include information about the Board of Management.

### Organisational development

The principal's proposals of 26 January 2009 were adopted which resulted in a number of changes to the organisational structure of the College and senior management team in order to ensure delivery of the Board of Management's vision for the College "to be an excellent college", to be staffed flexibly by well qualified individuals and to ensure optimum performance. The changes approved included:

- creating a new post of vice principal (finance and resources);
- removing existing assistant principals and reconfiguring responsibilities across other posts;
- establishment of a quality and information management, and enterprise and international development directorate; and
- move to four faculties and eighteen schools from current structure.

## Governance and risk management (continued)

### **Risk management**

A formal risk management policy is in place, approved by the Board of Management. A risk log has been established and each identified risk has a member of the College Management Team identified as the risk owner. Risks are assessed according to impact, probability and proximity and where there is no existing mitigating control in place an action plan is created to address the risk.

The risk management policy requires annual review of the policy, the risk analysis section of the corporate plan and the risk register by the College Management Team. A risk management report is presented annually to the Board of Management.

### **Corporate governance statement**

The corporate governance statement for 2008-09 provides details on how the Board of Management has established processes and controls in order to comply with the combined code on corporate governance, issued in 2008. The statement highlights that the College is committed to exhibiting best practice in all aspects of corporate governance. The corporate governance statement is informed by the results of internal consideration of the arrangements that have been put in place by the Board of Management.

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 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.

### **Regularity**

The Board of Management considers all incoming correspondence relevant to its strategic management role from the Scottish Funding Council and other regulatory or advisory bodies, such as Audit Scotland. The audit committee also considers any applicable correspondence. A summary of issued circulars is provided in each board paper. The College formally maintained a management calendar which included key dates and responses required to circulars, an alternative system is now in place.

***Recommendation one***

**Internal audit**

The approved internal audit programme for 2008-09 has been completed and Internal audit concluded that “Cardonald College did have adequate and effective risk management, control and governance processes to manage its achievement of the College’s objectives at the time of our audit work”.

In respect of business processes internal audit reported that systems are weak in the preparation of monthly reconciliations.

**Internal controls**

In accordance with our audit plan, we undertook detailed testing in relation to both entity level controls and business processes. We have recommended that management consider discussing with internal audit the possibility of increasing their sample sizes to allow external auditors to place greater reliance on their work and minimise the extent of additional top-up testing that we complete.

Testing of the design and operation of controls over significant risk points in terms of major financial systems confirms that with the following exceptions, controls are designed appropriately and operating effectively.

When a new employee joins the College, the starter form is signed as input to the employee records system and checked by HR and signed as input to the payroll system and checked by the payroll department. We tested 15 employee forms and found that on two occasions, due to staff holidays, the form was not evidenced as input to the payroll system. There is a risk that an employee could therefore be added to the system twice or fail to be added and it is recommended that staff are reminded to sign new starter forms as processed.

***Recommendation two***

Cash collected throughout the College is brought to the finance office before being banked. We tested 15 occasions on which cash was deposited at the finance office and found that there were two instances when the individual depositing the cash had not signed the cash collection book to verify the amount deposited. There is a risk that money collected is not accurately recorded or is subject to a theft risk. It is recommended staff are reminded that all deposits should be verified by the person depositing the cash with the finance office.

***Recommendation three***

The College has improved its records around land and buildings during the year. Within the financial ledger, there are now specific land and building assets and depreciation is calculated automatically based on those assets. It is recommended that the College’s deferred capital grants and revaluation reserve are also analysed in the ledger by asset code. This will allow management to clearly track the net book value and funding of individual assets and ensure that annual releases are accurately calculated.

***Recommendation four***

## Governance and risk management (continued)

There is no asset register of plant and equipment, including IT equipment. The IT helpdesk is currently preparing a register of key assets including, desktop computers, projectors and printers and can identify equipment connected to the network, however there is currently no process in place to identify asset disposals. It is recommended that separate fixed asset registers of non-property assets are developed and subject to at least six monthly reconciliations to the general ledger. Standard asset addition and disposal forms should be introduced to support any changes to the asset registers.

### ***Recommendation five***

A number of bank accounts are prepared by the assistant finance manager which are not evidenced as subject to independent review. It is recommended that staff are reminded that reconciliations must be evidenced as reviewed.

### ***Recommendation six***

There were a number of recommendations put forward two years ago which had not been followed as agreed:

- timely completion and review of bank reconciliations has been improved however we continue to recommend completion for accounts with no reconciling differences to confirm there are no cancelling amounts which require to be reconciled (Grade 2); and
- journals should be subject to independent authorisation (Grade 2).

These recommendations are still considered to be valid and should be considered and implemented by management.

### **Prevention and detection of fraud and irregularity**

The College has a fraud response plan in place to encourage staff to bring suspected frauds to notice and to ensure that prompt and effective action is taken. The fraud response plan was updated in 2006 and remains in draft form. It is recommended that a finalised fraud response plan is made available to all staff.

### ***Recommendation seven***

Where management is made aware of a suspected fraud, the internal fraud project group is convened to co-ordinate an investigation. Significant frauds would be reported to the audit committee. Management has not reported any material instances of fraud or irregularity in 2008-09.

### **Standards of conduct**

Staff are required to operate in accordance with the College's internal code of conduct setting out the required minimal ethical and behavioural expectations. There are comprehensive human resources policies and procedures in place at the College providing additional guidance to staff which are readily accessible to staff on the intranet. There is a formal register of interests for recording members of the Board of Management and senior managers' interests. This is considered to be best practice and assists in demonstrating consideration of independence in decision-making and the awarding of contracts. Details of all the Board members and their register of interests is included on the College's website.

### **Best Value / value for money**

In accordance with the financial memorandum with the Scottish Funding Council, the Board of Management report and operating and financial review includes a self-assessment of the College's arrangements to achieve Best Value. Internal audit completed three value for money reviews during the year around student support costs, commercial activities and printing. The 2009-10 internal audit plan also includes at least one value for money review.

## Key findings

- We issued an audit report expressing an unqualified opinion on the financial statements of the College for 2008-09.
- Management provided draft financial statements, which were substantially complete on commencement of our audit fieldwork on 26 October 2009. We noted substantial improvement compared to the prior year however the consistency of supporting schedules and cross-referencing of them to our prepared by client list could still be improved.
- Adjustments were made to the draft financial statements in respect of the treatment of the contractor payment following settlement of their claims, energy accruals and the revaluation reserve. The net impact on the surplus for the year was a reduction of £306,000.

### **Audit opinion**

On 18 December 2009 we issued an audit report expressing an unqualified opinion on the financial statements for the year ended 31 July 2009 and on the regularity of transactions reflected therein.

### **Financial statements – compilation arrangements**

Management provided draft financial statements, which were substantially complete on commencement of our audit fieldwork on 26 October 2009. We noted substantial improvement compared to the prior year, but the consistency of supporting schedules and cross-referencing of them to our prepared by client list could still be improved.

### **Accruals**

The College released accruals in respect of expenditure following demonstration to us that all bills from the supplier had been settled. Expenditure and creditors were reduced by £165,000.

### **Contractor claims**

On completion of the major refurbishment programme in 2007-08 the College obtained a valuation of the completed works. This resulted in an impairment charge to the income and expenditure account in 2007-08. The contractor had issued a number of claims in respect of the final project cost at year end 2008 which was recognised at that time as a contingent liability on the basis that management was intending to challenge these.

In 2008-09, agreement was reached with the contractor on the final cost of the project. The net additional cost to the College after retentions was £275,000. This was incorrectly classified as additions to assets under construction. In addition, payment of this amount did not add value to the complete assets as valued in 2007-08, therefore an additional impairment charge required to be recognised in the income and expenditure account in 2008-09. A corresponding transfer from the revaluation reserve to the general reserve of £134,000 reduced the impact on the general reserve to £141,000.

### **Revaluation reserve**

We noted above that the College does not maintain detailed records of the composition of its revaluation reserve. In error, the release made in 2008-09 to match depreciation was calculated as 1/30<sup>th</sup> of the balance on the reserve (£135,000). Since the majority of the balance on the revaluation reserve relates to land, which is not subject to depreciation, the release to the general reserve was overstated by £123,000.

A number of other minor adjustments and presentational changes were made to the financial statements.

## Appendix one – action plan

### Priority rating for recommendations

**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 recommendation	Management response	Officer and due date
1	<p>The College formally maintained a management calendar which included key dates and responses required to circulars, an alternative system is now in place. It is recommended that management reinstate the use of the management calendar.</p> <p><i>(Grade two)</i></p>	<p>The management calendar was removed and has been replaced by an alternative mechanism whereby related actions for responses are added to task lists for individual responsible.</p>	<p>No amendment proposed.</p>
2	<p>When a new employee joins the College, their starter form is signed as input to the employee records system and checked by HR and signed as input to the payroll system and checked by the payroll department. We tested 15 employee forms and found that on two occasions, due to staff holidays, the form was not evidenced as input to the payroll system. There is a risk that an employee could therefore be added to the system twice or fail to be added and it is recommended that staff are reminded to sign new starter forms as processed.</p> <p><i>(Grade two)</i></p>	<p>Agreed. All forms will be signed in the future.</p>	<p>Payroll Administrator. January 2010.</p>

## Appendix one – action plan (continued)

No.	Issue and recommendation	Management response	Officer and due date
3	<p>Cash collected throughout the College is brought to the finance office before being banked. We tested 15 occasions on which cash was deposited at the finance office and found that there were two instances when the individual depositing the cash had not signed the cash collection book to verify the amount deposited. There is a risk that money collected is not accurately recorded or is subject to a theft risk. It is recommended staff are reminded that all deposits should be verified by the person depositing the cash with the finance office.</p> <p><i>(Grade two)</i></p>	<p>Agreed, appropriate staff will be reminded.</p>	<p>Assistant Finance Manager. January 2010.</p>
4	<p>The College has improved its records around land and buildings during the year. Within the financial ledger, there are now specific land and building assets and depreciation is calculated automatically based on those assets. It is recommended that the College's deferred capital grants and revaluation reserve are also analysed in the ledger by asset code. This will allow management to clearly track the net book value and funding of individual assets and ensure that annual releases are accurately calculated.</p> <p><i>(Grade two)</i></p>	<p>The deferred grants were analysed by asset code at 31/7/09. The revaluation reserve will be similarly amended.</p>	<p>Assistant Finance Manager. March 2010.</p>
5	<p>There is no asset register of plant and equipment, including IT equipment. The IT helpdesk is currently preparing a register of key assets including, desktop computers, projectors and printers and can identify equipment connected to the network, however there is currently no process in place to allow management to identify asset disposals. It is recommended that separate fixed asset registers of non-property assets are developed, these must be subject to at least six monthly reconciliations to the general ledger. Standard asset addition and disposal forms should be introduced to support any changes to the asset registers.</p> <p><i>(Grade two)</i></p>	<p>IT services currently maintain a full asset list of all printers and photocopiers which includes consumable details. A basic list of PC assets has been produced which we continue to fully populate. This list includes details of all PCs and MACs and locations with a higher level of detail for equipment purchased in the last 2 years. This will in future be integrated to a full IT asset database with a new Service Desk tool. Also procedures to handle asset addition and disposal will be produced to ensure the accuracy of these asset registers is maintained.</p>	<p>Helpdesk Manager. June 2010.</p>



## Appendix one – action plan (continued)

No.	Issue and recommendation	Management response	Officer and due date
6	<p>A number of bank accounts are prepared by the assistant finance manager which are not evidenced as subject to independent review. It is recommended that staff are reminded that reconciliations must be evidenced as reviewed.</p> <p><i>(Grade two)</i></p>	<p>Agreed, this will be done.</p>	<p>Assistant Finance Manager. January 2010.</p>
7	<p>The College has a fraud response plan in place to encourage staff to bring suspected frauds to notice and to ensure that prompt and effective action is taken. The fraud response plan was updated in 2006 and remains in draft form. It is recommended that a finalised fraud response plan is made available to all staff.</p> <p><i>(Grade three)</i></p>	<p>The fraud response plan was approved by Audit Committee in 2006. It will be made available to all staff and taken back to Audit Committee to reconsider it given time since last at Committee.</p>	<p>Director of Finance. March 2010.</p>