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# University of Glasgow

## Internal Audit Update and Annual Report

### *Audit Committee Meeting*

**15 November 2007**

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# Annual Internal Audit Report

## Report to the Audit Committee

As Internal Auditors we are required to provide the Audit Committee with an Annual Internal Audit Report. The University Court and its management are responsible for ensuring that a system of control, financial and otherwise, is established and maintained. This is in order to carry on the operations of the University in an orderly and efficient manner, to ensure adherence to management policies, to safeguard the assets, and to secure, as far as possible, the completeness and accuracy of records. Our responsibility as internal auditors is to evaluate significant systems and associated internal controls and to report to the Audit Committee on the adequacy of such controls and systems. We cannot examine the whole system of controls, financial or otherwise, nor is Internal Audit a substitute for management's responsibility to maintain adequate systems of internal control over financial or operational systems.

In considering our assessment of the framework of controls we have taken the following into consideration:

- results of audits undertaken during the year;
- the balance of probity work against review of management arrangements and value for money work;
- follow up action taken in respect of last year's audit work;
- our perception of the extent of 'control awareness' amongst the staff and management of University of Glasgow.

*On the basis of work undertaken for the year ended 31 July 2007 we consider that University of Glasgow generally has an adequate framework of control over the systems we examined as summarised on page 3 (subject to implementation of the recommendations). In providing such an assessment we would draw to your attention our summary findings as presented in our individual reports issued throughout the year and particularly the Priority One recommendations. Two areas where the control environment is in need of significant improvement relate to Disaster Recovery Planning and Clinical Trials governance.*

We take responsibility for this report, which has been prepared on the basis of the limitations set out on page 10.



## Statement of Responsibility

We take responsibility for this report which is prepared on the basis of the limitations set out below.

Deloitte & Touche LLP  
Glasgow  
November 2007

The matters raised in this report are only those which came to our attention during the course of our internal audit work and are not necessarily a comprehensive statement of all the weaknesses that exist or all improvements that might be made. Recommendations for improvements should be assessed by you for their full impact before they are implemented. The performance of internal audit work is not and should not be taken as a substitute for management's responsibilities for the application of sound management practices. We emphasise that the responsibility for a sound system of internal controls and the prevention and detection of fraud and other irregularities rests with management and work performed by internal audit should not be relied upon to identify all strengths and weaknesses in internal controls, nor relied upon to identify all circumstances of fraud or irregularity. Auditors, in conducting their work, are required to have regards to the possibility of fraud or irregularities. Even sound systems of internal control can only provide reasonable and not absolute assurance and may not be proof against collusive fraud. Internal audit procedures are designed to focus on areas as identified by management as being of greatest risk and significance and as such we rely on management to provide us full access to their accounting records and transactions for the purposes of our audit work and to ensure the authenticity of these documents. Effective and timely implementation of our recommendations by management is important for the maintenance of a reliable internal control system.

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