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PART 14 SYSTEMS APPRAISAL

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14.1 General Policy

Systems Appraisals are required to be conducted for each of the “systems” (as defined in Part 14.2) of the University at least once in every two year period.

The objective of the review is to determine whether the system is:

(a) documented;

(b) functioning as documented;

(c) appropriate for its objectives;

(d) operating effectively and efficiently; and

(e) the best practice alternative for the University’s operations.

The review is to be documented and is to include a record of:

(a) The results of the review,

(b) Any recommendations for follow up action, and

(c) Reporting of any material findings to the Vice-Chancellor as an attachment to the annual Letters of Representation.

14.2 Systems

A “system” is defined as **“A set of associated policies, procedures, controls and information systems which combine to record and manage certain financial tasks and transactions of an organisation.”**

Systems Appraisals involve the ongoing reviews of the appropriateness of systems and the functioning of internal controls. They are essential in ensuring the integrity and accuracy of accounting systems and in safeguarding against losses, fraud, misappropriation and corruption.

In the context of the University, a system includes any process which directly or indirectly affects financial transactions. Systems should be considered in their broadest context and include all operational, manual and computer based components and functions. Individual officers will have the responsibility for components of systems under their control within the total systems appraisal process.

The system will usually be devoted to one aspect of financial management. For the purpose of review each system should be analysed and broken down into its major components.

The “systems” of the University should include the following:

- Revenue
- Expenditure
- Assets
- Liabilities
- Equity

14.3 Implementation

The systems appraisals of each of the above should include:

- Control Objectives
- Desirable Internal Control Objectives
- Description of controls in Place
- Possible Exposures
- Performance Indicators
- Performance Evaluation
- Evaluation of Controls
- Proposed Action

14.4 Responsibility

Heads of Faculties and Heads of Departments shall be responsible for ensuring that the Systems Appraisals of systems or components of systems under their control are completed as required. The appraisal should be undertaken as a form of self assessment with an emphasis on a risk management approach. Guidelines are available to provide a broad outline to assist in the process.

Completion of the systems appraisals process should provide the basis of the certification required in the annual Letters of Representation, which Heads of Faculties and Heads of Departments are required to submit to the Vice-Chancellor. An exception report outlining any material findings or deficiencies is required to be included as an attachment to the Letters of Representation.

The report shall include details of any weaknesses or deficiencies identified and specify any actions already taken, as well as suggested actions required to rectify the situation.

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