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MEDIA STATEMENT

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AUDITOR GENERAL GIVES MOST UNIVERSITIES AND COLLEGES A PASS MARK BUT SAYS THEY CAN DO BETTER.

The Auditor General Mr Colin Murphy today tabled a report that included the results of his audits of universities, TAFE colleges and other audits completed since 19 November 2007.

In his report Mr Murphy stated that whilst all Universities and Colleges, except for Murdoch University received clear opinions, he was concerned about some aspects of agency operations.

Mr Murphy issued a qualified opinion on the financial statements of Murdoch University for its accounting treatment of research grants, the effect of which was to understate the retained surplus and overstate current liabilities by \$10.2 million.

In his report he made particular mention of three issues. One related to the fact that the audit identified 50% more information security weaknesses than last year. This was of particular concern because information security is a fundamental necessity and yet simple and inexpensive solutions can address many of the identified weaknesses.

Mr Murphy also found that the internal review and reconciliation procedures that improve the quality and integrity of financial reporting needed upgrading in many universities and TAFE Colleges.

A third issue related to Curtin University's failure to complete a fixed asset stock take for four years. Mr Murphy stated that this has created the risk that the fixed assets account balance in the financial statements may be inaccurate; that the insurance coverage of assets may be inappropriate and that there may be a lack of identification and action on lost or stolen assets. Curtin University has advised that appropriate procedures are now being implemented to enable accurate and timely rolling stocktakes. Mr Murphy has stated that this area will be a focus of his 2008 audit.

Mr Murphy also expressed his disappointment that two universities and three TAFE colleges failed to provide adequately prepared financial statements and supporting working papers by the agreed date and as a result the timeliness and cost of audits was affected.

ENDS

Media Contact: Sandra Devahasdin

Mobile: 0424 184 501 Fax: (08) 9322 5664

4th Floor Dumas House 2 Havelock Street West Perth 6005