

## 8. REPORT ON INTERNAL ADMINISTRATIVE / OPERATIONAL STRUCTURES AND CONTROLS

Mangosuthu University of Technology (MUT) maintains a system of internal controls over financial reporting and the safeguarding of assets against the unauthorised acquisition, use or disposal of such assets. Such systems are designed to provide reasonable assurance to MUT and the Council regarding an operational environment that promotes the safeguarding of MUT's assets and the preparation and communication of reliable financial and other information.

The University is in the process of documenting the organisational structures setting out the division of responsibilities, as well as established policies and procedures, including a Code of Ethics that is communicated throughout the organisation to foster a strong ethical climate and the careful selection, training and development of its people.

Information systems utilising modern information technology are in use throughout the organisation.

Systems have been developed and implemented according to defined and documented protocols. Accepted standards are applied to protect privacy and

ensure control over all data, including disaster recovery and "backup" procedures.

Password controls are strictly maintained with users required to change passwords on a monthly basis. There are regular reviews (monthly) to ensure that there are no clashes in user access rights and that the basic internal control concept of division of duties is maintained.

MUT assessed its internal control systems as at 2015 financial year in relation to the criteria for effective internal control over financial reporting described in the Internal Control Manual.

Internal auditors monitor the operation of internal control systems and report findings and recommendations to management, the Audit committee and the Council. Corrective actions are taken to address control deficiencies and other opportunities for improving systems when identified.

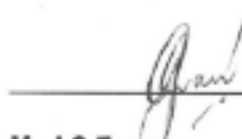
This report is signed by:



**Mr M Makhathini**

**Head of Internal Audit**

Date: 29/06/16



**Mr AC Zwane**

**Chairperson of the Audit Committee**

Date: 29.06.2016