



AUDIT
OFFICE



REPUBLIC
OF CYPRUS

**OPEN UNIVERSITY OF CYPRUS
SPECIAL REPORT FOR THE YEAR ENDED 2019**

Executive Summary



**AUDIT OFFICE OF THE REPUBLIC
SPECIAL REPORT no. ΑΠΚΥ/01/2022**

7 APRIL 2022



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1. Executive Summary

The Audit Office conducted a compliance audit of the Open University of Cyprus for the year 2019 to ascertain whether the relevant Bodies of the University operate in accordance with the applicable Laws/Regulations/Directives and the requisite transparency, accountability and good governance. The main findings are summarised below:

- ◆ The Annual Budget for the year was not submitted to the Ministry of Education, Culture, Sports and Youth by the required date and it was approved, with a significant delay, by Parliament on 22.4.2019. Expenditure for January and February 2019 was approved with special legislation whereas expenditure for the remaining period (1.3.2019-21.4.2019) was not legally covered.
- ◆ Control of the Budget execution is exercised with the use of Excel Spreadsheets instead of the recommended specialised software.
- ◆ Excess spending on two Articles of the Budget was not properly dealt with by transferring an equal amount of savings from other Articles under the same Chapter of the Budget with the necessary approval of the Council.
- ◆ The finalisation of the financial statements is pending (for the years 2017 to date) due to failures in the accounting system module regarding the tuition fees.

We recommended that remedial steps are taken as a matter of urgency.

- ◆ The required information regarding good governance pursuant to Council of Ministers Decision no. 86.103 dated 24.10.2018 was not submitted to the Treasury on time.

We recommended that the information is submitted by the due date.

- ◆ A Special Allowance which was paid to all Professors and Assistant Professors was abolished in 2012 as it was not based on any performance criteria. A Court Decision on the matter is pending.

We recommended that should the Allowance be re-introduced it should be given only in a few selected cases based on performance criteria.

- ◆ Following an internal investigation in 2017 it transpired that there were omissions in the credentials submitted by a Member of the academic staff during the hiring process. A Police investigation followed and the Attorney General pressed criminal charges on 14.4.2021.

We recommended that the Council should consider the termination of the employment of the said academic.

- ◆ We noted weaknesses in the procedures followed for granting Sabbaticals to academic staff.

We recommended that proper procedures are followed for granting Sabbaticals.

- ◆ The Agreements between the University and academic staff hired on a contract basis are not properly signed.

- ◆ We noted weaknesses regarding the internal audit function. There is no internal audit department at the University and the work of the internal auditor is carried out by a Committee made up of members of the Council.

We recommended that an internal audit department is set up with properly qualified staff.

- ◆ An internal audit was carried out in 2013 by the Internal Audit Service of the government and several recommendations were made regarding the procedures and controls in the IT department. We noted that these were not fully implemented.