



13/12/07

REPORT FROM THE INTERNAL AUDITOR

David Beattie, Director of Sports Development at Aberdeen University has undertaken a review of the financial statements of SUS for the year ending 31st July 2007. He is satisfied that the accounts are an accurate representation of the finances of SUS. In his report, DB recommended some minor adjustments to SUS accounting practices. These were discussed fully at the Exec meeting of 2nd Nov'07, and adopted in full. The SUS membership is now invited to receive the audited accounts for 2006-07 (summary format) and to accept the recommendations of the Internal Auditor, which have been duly endorsed by the Exec.

The following points represent the primary items of business:

- **Year-end balance:** After a small number of minor adjustments to the draft accounts the SUS accounts show an operating deficit for the year of £2729.53.
- **Bank Reconciliation:** Following consultation with the Internal Auditor, a formal system of monthly bank reconciliations is now in place. This is the single most important check that needs to be carried out to ensure completeness of the accounts. This will be completed by Jacqui on a monthly basis.
- **Petty Cash:** All income received as cash is to be banked and petty cash cheques are to be drawn as and when required.
- **High Interest Account:** The internal auditor noted the use of a high interest account which is earning interest for SUS. Active management of the SUS general bank account may allow additional balances to be invested in the high interest account during the year.
- **Balance:** The total liquid assets held by SUS at 31 July'07 is £73169.76. The Exec recommends that around 3 months of salaries and operating costs should be retained as an effective balance against 'risk'.
- **Accounting:** The use of spreadsheets to record SUS income and expenditure is manageable with the volume of transactions that are being processed. As SUS continues to grow and develop, it may be that a small accounting package (Such as SAGE) may be useful in recording the transactions.

EGM is invited to:

Item
Approve the summarised accounts for 2006-07.
Endorse the Exec's acceptance of the Internal Auditor's recommendations in their entirety.



13/12/07

Accounts for 2006-07.

The spreadsheet below illustrates the SUS accounts summary for the period 1 Aug'06 to 31 July'07. In accordance with constitutional requirements, the financial figures are reconciled daily by the SUS Executive Officer, scrutinised by the Executive Committee monthly and reported on at the SUS AGM in June (progress to period 10). The SUS accounting year closes on 31 July, and the figures presented for internal audit during August/September. The finalised accounts, together with the internal auditor's recommendations, are vetted by the SUS Executive meeting in November, before being presented for final approval/adoption at the SUS EGM in December. Thereafter, the final approved accounts are then submitted to **sportscotland**.

	2006-2007						
	YTD	YTD	YTD	YTD	YTD	What remains	Annual
	Income	Expend	Balance	Budget	Variance	of Budget	Budget
	£	£	£	£	£	£	£
Income*	157437.55*						
Admin		69045.75		67700.00	-1345.75	-1345.75	67700.00
Staff Travel		5196.94		5000.00	-196.94	-196.94	5000.00
Staff CPD		733.83		2000.00	1266.17	1266.17	2000.00
Programme		26459.41		14000.00	-12459.41	-12459.41	14000.00
Fees		4773.75		5000.00	226.25	226.25	5000.00
Rep Costs		21604.35		2800.00	-18804.35	-18804.35	2800.00
Marketing		28441.89		13500.00	-14941.89	-14941.89	13500.00
Sundries		3911.16		5000.00	1088.84	1088.84	5000.00
TOTALS	157437.55	160167.08	-2729.53	115000.00	-45167.08	-45167.08	115000.00

* This includes £1212.60 committed income against outstanding invoices; £66,026.81 from Membership subscriptions; £30,000 from **sportscotland**; £5,000 from BUNAC; £10,000 from BUSA and £46,410.74 of other income from events and sports-related projects

- SUS has £23,169.76 operating reserve in the bank which is a sanctioned amount in place to cover three months of operating costs.
- Admin includes salaries, rent and office running costs; Staff Travel incorporates any expenses for the SUS office bearers and other committee members; Staff CPD covers and course or conference attendances of the SUS office bearers; Programme includes budgeted amounts for each of the SUS sports as well as an agreed amount for staff projects; Fees is the heading for insurance, parking and other affiliations; Rep Costs covers players and coaches attending any representative events (including BUGS '08); Marketing incorporates spending on any branding and promotion as well as SUS events; Sundries covers any contingency spending.