

11/12/08

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 2008. 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 7th Nov'08, and adopted in full. The SUS membership is now invited to receive the audited accounts for 2007-08 (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:

- **Income Surplus:** After a small number of minor adjustments to the draft accounts the SUS accounts show a higher than anticipated surplus for the year of £17586.41.
- **Bank Reconciliation:** David commended the work carried out by Jacqui in completing the monthly bank reconciliations and was pleased to note that a robust system was now firmly in place.
- **Other Assistance:** All expenditure for staff payments should be processed via the University of Edinburgh payroll system. (Payments to Sarah Gandon over the summer have been paid on a weekly basis by cheque).
- **Purchase of Kit:** Sports Kit of approximately £7000 was purchased for re-sale at the end of June 2008. The income for this will be realised in a future year. If this practice is to be continued then the Exec should be made aware of this for budget setting purposes.
- **Budget Setting:** Consideration should be given to reviewing how budgets are set and revised. Currently large variances are shown in both income and expenditure due to activities being undertaken which are not in the budget, but are nevertheless self-financing. It may be useful for the Exec to revise the budget so that real under or overspends can be identified.
- **Accounting:** The use of spreadsheets to record SUS income and expenditure is becoming unmanageable with the volume of transactions that are being processed. As a consequence a small accounting package (Such as SAGE) should be investigated to record the transactions as of August 2009.

EGM is invited to:

Item
Approve the summarised accounts for 2007-08.
Endorse the Exec's acceptance of the Internal Auditor's recommendations in their entirety.

11/12/08

Accounts for 2007-08.

The spreadsheet below illustrates the provisional SUS accounts for the period 1 Aug'07 to 31 July'08. 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. This represents a very robust audit trail, to which Lawrie Randak is fully involved at each key stage. The final approved accounts are then submitted to sportscotland after the EGM.

	2007-2008						Annual Budget
	YTD Income	YTD Expend	YTD Balance	YTD Budget	YTD Variance	What remains of Budget	
Income*	203348.76*						
Admin		74700.75		78000.00	3299.25	3299.25	78000.00
Staff Travel		5395.73		5000.00	-395.73	-395.73	5000.00
Staff CPD		664.76		1500.00	835.24	835.24	1500.00
Programme		46115.33		16000.00	-30115.33	-30115.33	16000.00
Fees		3287.75		3500.00	212.25	212.25	3500.00
Rep Costs		9900.51		1500.00	-8400.51	-8400.51	1500.00
Marketing		17758.85		10000.00	-7758.85	-7758.85	10000.00
Merchandise		27752.67		1500.00	-26252.67	-26252.67	1500.00
Sundries		186.00		3000.00	2814.00	2814.00	3000.00
TOTALS	203348.76	185762.35	17586.41	120000.00	-65762.35	-65762.35	120000.00

* This includes £3941.20 committed income against outstanding invoices; £68,965 from Membership subscriptions; £35,000 from sportscotland; £5,000 from BUNAC; £10,000 from BUSA; £71,532.66 of income from events and sports-related projects; and £4655.40 of other income from bank interest and SUPEA money.

•SUS has £ 33,602.97 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; Merchandise includes spending on kit and branded items; and Sundries covers any contingency spending.