

08/12/09

REPORT FROM THE INTERNAL AUDITOR

David Beattie, General Manager of Aberdeen Sports Village has undertaken a review of the financial statements of SUS for the year ending 31st July 2009. 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 recommendations (detailed below) will be discussed fully at the Exec meeting of 5th February 2010. The SUS membership is now invited to receive the audited accounts for 2008-09 (summary format).

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 £10,079.74. The deficit for the year is manageable within current reserves (£73,523 as at 31st July 2009).
- **Debtors:** The debtors figure is reasonably high compared to the overall income receivable and some of the debts were at the year end, over 6 months old. Whilst much of the debt is due from Universities and should be collectable, the Inspirit sponsorship of the SUS conference was not received until the end October. There perhaps should be a more rigorous procedure for chasing debt and particularly where funding comes from a third party. Imposing strict payment terms or taking a deposit would leave SUS with a reduced risk exposure of having any bad debts.
- **Purchase orders:** Introducing a system of SUS purchase orders should be considered to provide a more rigorous audit trail for procurement.
- **Budget setting:** As raised last year, SUS should perhaps consider 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 SUS Executive to revise the budget so that real under or overspends can be identified.
- **Accounting:** The use of spreadsheets to record SUS income and expenditure has unmanageable with the volume of transactions that are being processed. As a consequence a SAGE has been introduced from August 2009.

EGM is invited to:

Item
Approve the summarised accounts for 2008-09.

08/12/09

Accounts for 2008-09.

The spreadsheet below illustrates the SUS accounts summary for the period 1 Aug'08 to 31 July'09. 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 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.

2008-2009					
	YTD	YTD	YTD	Annual	Annual
	Income	Expend	Balance	Forecast	Variance
Income	206969.17			200250.00	6719.17
Admin		99597.50		102390.00	2792.5
Staff Travel		5428.48		6500.00	1071.52
Staff CPD		1768.25		1500.00	-268.25
Programme		40407.77		43800.00	3392.23
Fees		5525.33		5500.00	-25.33
Rep Costs		19137.12		11600.00	-7537.12
Marketing		21765.79		18800.00	-2965.79
Merchandise		23258.67		17000.00	-6258.67
Sundries		160.00		500.00	340.00
TOTALS	206969.17*	217048.91	-10079.74	-7340.00	-2739.74

*This includes £12,828.90 committed income against outstanding invoices; £5,000 from Inspirit, £3,190 from Conference payments and £4638.90 of income from sport-related projects.

- SUS has £73,523 operating reserve in the bank this is more than enough to cover three months of operating costs, agreed as the sanctioned reserve amount.
- Admin includes salaries and office running costs; Staff Travel incorporates any travel expenses for the SUS office bearers and other committee members; Staff CPD covers 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 support for representative activity; Marketing incorporates spending on website development, branding and promotion as well as SUS events; Merchandise represents support to stock of kit and merchandise items; Sundries covers any contingency spending.