



UNIVERSITY OF TORONTO

**UNIVERSITY OF TORONTO STUDENT SOCIETIES
SUMMARY OF 2007/2008 AUDITORS' OPINIONS**

SUBMITTED BY THE INTERNAL AUDIT DEPARTMENT

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INTRODUCTION

Student societies within the University of Toronto vary widely in size, range of interest and level of activity. However, the recognized student societies have at least three things in common:

- they represent and are responsible to given “constituencies”;
- membership is automatic;
- the University collects non-academic incidental fees from each student eligible to be a member.

Thirty-nine student societies and one affiliate fit the above criteria. These societies are required by Governing Council Policy to:

- maintain adequate and proper accounting records;
- submit financial statements audited or reviewed by an independent auditor, licensed under the Public Accountancy Act, to the Office of the Vice Provost, Students of the University by December 31st of each year.

Student societies may apply for an exemption from the audit requirement if the following conditions are met:

- incidental fees collected on behalf of the student society amount to less than \$30,000 in the fiscal year, and “other revenues” amount to less than \$7,500;
- the request for exemption is made prior to the midpoint of the fiscal year concerned and is supported by at least two-thirds of the full membership of the Council or Board of Directors of the society;
- the Internal Audit Department is satisfied that the society is maintaining proper books of account and supporting documentation.

Societies seeking audit exemptions are required to submit their unaudited financial statements and books of accounts and supporting documentation to the Internal Audit Department for review by December 31st of each year.

Regulations and policies relating to student societies are outlined in the *Handbook for Student Societies*, published by the Office of the Vice Provost, Students

OBJECTIVE AND SCOPE

This report summarizes the student societies’ Auditors’ opinions, noting societies that have been granted an exemption from the audit requirement, as well as societies that have not submitted audited statements or requested an exemption.

The report covers the twelve months, September 1, 2007 to August 31, 2008. Thirty societies have submitted their financial statements to the Office of the Vice Provost, Students or have been granted an

exemption from the audit requirement by the Internal Audit Department. As at March 15, 2009, 10 societies (25%) had not submitted their 2007/2008 audited financial statements. Incidental fees are not released to the societies until audited financial statements are submitted.

SUMMARY OF SIGNIFICANT NOTES TO SELECTED FINANCIAL STATEMENTS

The following summarizes notes to the audited financial statements received and reported on by Internal Audit:

University of Toronto Radio Inc. – The Corporation entered into transactions with Gleaner Community Press for purchases of press advertising totalling \$8,186.00. Accounts receivable included \$6,784.00 owing by Gleaner Community Press to the Corporation consistent with the prior year. Mr. Brian Burchell is the manager of the station and is the president and publisher of Gleaner Community Press. The transactions are in the normal course of business.

Arts & Sciences Students' Union – Outstanding loans to employees bearing interest at 1% per month on the outstanding balance and payable in full on demand totalled \$2,380 as at April 30, 2007 and totalled \$0 as at April 30, 2008.

Engineering Society – The Society has been named as a defendant in a pending lawsuit involving a claim for \$1.5 million for damages from injuries sustained by the plaintiff during the normal course of the Society's activity. The outcome of the litigation was not determinable with certainty, so no provision for losses was reflected in the financial statements.

COMPARATIVE SUMMARY OF AUDITORS' OPINIONS

The following summarizes the external auditors' opinions and exemptions granted or denied in 2007/2008 and 2006/2007:

	<u>2007/2008</u> (39 societies, 1 affiliate)	<u>2006/2007</u> (39 societies, 1 affiliate)
1. Unqualified audit opinions	19	7
2. Qualified audit opinions	9	24
3. Audit exemptions granted	<u>2</u> *	<u>3</u>
	<u>30</u>	<u>34</u>
4. Audited financial statements outstanding at the time of this report	<u>10</u> **	<u>6</u> ***
	<u>40</u>	<u>40</u>

* Table I (Page 5)

** Table II (Page 5)

*** Table III (page 6)

As noted in the 2006/2007 Internal Audit report, 6 societies (15%) did not submit their financial statements by the date of that report. Financial statements have since been received or exemptions granted for three of the societies (Table III): the Erindale Part-Time Undergraduate Students Association have not submitted their 2002/2003, 2003/2004, 2004/2005, 2005/2006 and 2006/2007 statements as at

the date of this report; and the University College Residence Council have not submitted their 2004/2005 statements as of the date of this report,

The Department of Student Life Programs and Services has granted forgiveness to a number of societies who have not submitted financial statements in the past several years, as a result, the following financial statements remain outstanding and are not expected to be received: 89 Chestnut Residence Council (2004/2005); Graduate Architecture, Landscape & Design Student Union (2003/2004); UTSC College Student Village Council (2004/2005, 2005/2006, 2006/2007); Physical & Occupational Therapy Graduate Student's Council (2002/2003, 2003/2004, 2004/2005, 2005/2006). Societies that have been granted forgiveness by The Department of Student Life Programs and Services, for prior year non-submission of financial statements are noted (Table IV).

TABLE I: Societies that received an exemption from the audit requirement.

NAME	FEE REVENUE \$	OTHER REVENUE \$
Graduate House Council	16,092	3,001
Woodsworth College Residence Council	7,280	32

TABLE II: Societies that have not submitted their 2007/2008 audited financial statements as at March 15, 2009.

NAME	FEE REVENUE \$	YEAR-END
89 Chestnut Residence Council (See also Table III)	17,460	August 31, 2008
Engineering Athletic Association	36,490	July 31, 2008
Erindale Part-time Undergraduate Students (See also Table III)	2,564	April 30, 2008
Graduate Business Council	43,532	April 30, 2008
Innis College Students Society	82,244	April 30, 2008

NAME	FEE REVENUE \$	YEAR-END
Music Undergraduate Society (exemption requested)	6,615	April 30, 2008
New College Residence Council (exemption requested)	17,300	April 30, 2008
The Medium (See also Table III)	69,764	April 30, 2008
University College Residence Council (exemption requested) (See also Table III)	10,965	September 30, 2008
UTM Residence Council	N/A ¹	April 30, 2008

TABLE III: Societies that have submitted their 2006/2007 financial statements subsequent to the prior year's Internal Audit Report or are still outstanding as at the date of this report.

NAME	FEE REVENUE \$	YEAR-END
89 Chestnut Residence Council (Received 2005/2006 statements)	16,965	August 31, 2007
Erindale Part-Time Undergraduate Students Association (2002/2003, 2003/2004, 2004/2005 2006/2007 statements outstanding) ²	6,553	April 30, 2007
Graduate Architecture, Landscape & Design Student Union (Received 2004/2005, 2005/2006 and 2006/2007 statements).	21,145	August 31, 2007
The Medium (Received 2006/2007 statements)	68,908	April 30, 2007
University College Residence Council (Received 2005/2006 and 2006/2007 statements; 2004/2005 statements outstanding.) ²	11,055	May 31, 2007

VIBE Radio Erindale (Received 2006/2007 statements.	39,717	April 30, 2007
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¹ Fee revenue is not recorded on ROSI.

² As a result of the outstanding Financial Statements, the following societies' funds have been withheld by the University: Erindale Part-Time Undergraduate Students Association (\$31,709.02); University College Residence Council (\$4,446.00).

TABLE IV: Societies granted forgiveness by Student Affairs for non-submission of prior year's financial statements.

NAME	FEE REVENUE \$	YEAR-END
89 Chestnut Residence Council (forgiven for non-submission of August 31, 2005 statement)	16,965	August 31, 2007
Graduate Architecture, Landscape & Design Student Union (forgiven for non-submission of August 31, 2004 statement)	21,145	August 31, 2007
Physical & Occupational Therapy Graduate Students' Council (forgiven for non-submission of April 30, 2003, 2004, 2005 & 2006 statements)	3,285	April 30, 2007
UTSC College Student Village Council (forgiven for non-submission of April 2005, 2006 & 2007 statements)	22,025	April 30, 2007

Respectfully submitted,

Mr. M.L. Britt
 Director
 Internal Audit Department

April 15, 2009