



# University of Toronto TORONTO ONTARIO M5S 1A1

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OFFICE OF THE VICE-PROVOST, STUDENTS

TO: University Affairs Board

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DATE: April 20, 2004 for April 28, 2004

AGENDA ITEM: 6

## **ITEM IDENTIFICATION:**

Student Societies: Report on Financial Statements and Internal Auditor's Opinion

## **JURISDICTIONAL INFORMATION:**

The *Policy for Compulsory Non-Academic Incidental Fees* requires each student society that receives the proceeds of a compulsory non-academic incidental fee to submit, by December 31<sup>st</sup> each year, financial statements audited by a public accountant, or else obtain from the University's Internal Auditor an exemption as provided in the *Policy*.

## **PREVIOUS ACTION TAKEN:**

The report is presented annually to the Board.

## **HIGHLIGHTS:**

The submission and review of annual financial statements of student societies is considered an important accountability mechanism.

See "Objective and Scope" and "Comparative Summary of Auditors' Opinions" for the highlights of the Internal Auditor's report. External auditors' comments on the 2002-03 financial statements are available for viewing by Board members through the Office of Student Affairs.

## **FINANCIAL AND/OR PLANNING IMPLICATIONS:**

There are no direct financial implications for the University's operating budget.

## **RECOMMENDATION:**

The Report is presented for information.



**UNIVERSITY OF TORONTO**

**UNIVERSITY OF TORONTO STUDENT SOCIETIES  
SUMMARY OF 2002/2003 AUDITORS' OPINIONS**

**SUBMITTED BY THE INTERNAL AUDIT DEPARTMENT**

**Recipients:**

Ms. S. Addario - Director, Student Affairs  
Mr. J. Delaney – Assistant Director, Student Affairs  
Professor D. Farrar- Vice-Provost, Students  
Professor V. Goel – Interim Vice-President and Provost  
Dr. R.J. Birgeneau - President  
Mr. L. Charpentier - Secretary of the Governing Council

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

- maintain adequate and proper accounting records;
- submit financial statements audited by an independent auditor, licensed under the Public Accountancy Act, to the Office of Student Affairs of the University by December 31<sup>st</sup> 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 \$5,000;
- 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 31<sup>st</sup> of each year.

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

## 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, 2002 to August 31, 2003. Twenty-seven societies have submitted their financial statements to the Office of Student Affairs or were granted an exemption from the audit requirement by the Internal Audit Department. As at April 16, 2004, nine societies had not submitted their 2002/2003 audited financial statements. Incidental fees are not released to the societies until audited financial statements are submitted.

As noted in the 2001/2002 Internal Audit report, six societies did not submit their financial statements by the date of that report. Financial statements have since been received for three of the societies (Table III). The Scarborough College Athletic Association and the Medical Society have not submitted their 2001/2002 statements as at the date of this report and the Architecture Students' Union no longer exists.

## COMPARATIVE SUMMARY OF AUDITORS' OPINIONS

The following summarizes the external auditors' opinions and exemptions granted or denied in 2002/2003 and 2001/2002:

	<u>2002/2003</u> (35 societies, 1 affiliate)	<u>2001/2002</u> (36 societies, 1 affiliate)
1. Unqualified audit opinions	9	10
2. Qualified audit opinions	13	18
3. Audit exemptions granted	<u>*5</u>	<u>3</u>
Submitted and reported on by Internal Audit	27	31
4. Audited financial statements outstanding at the time of this report	<u>@ 9</u> <u>36</u>	<u>%6</u> <u>37</u>

\* See Table I (Page 5)

@ See Table II (Page 5) – Includes 1 society whose exemption was denied.

% See Table III (page 6)

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

NAME	FEE REVENUE \$	OTHER REVENUE
Graduate House Council	16,510	4,934
University College Residence Council	8,482	2,333
Transitional Year Programme	2,055	1,202
Graduate Architecture, Landscape & Design Student Union	18,669	11,260
New College Residence Council	13,250	5,375

**TABLE II:** Societies that have not submitted their 2002/2003 audited financial statements as at April 16, 2004.

NAME	FEE REVENUE \$	YEAR-END
Arts & Science Students' Union	192,484	April 30, 2003
Engineering Athletic Association	33,478	July 31, 2003
Erindale Part-Time Undergraduate Students	8,765	April 30, 2003
Medical Society	44,695	June 30, 2003
Nursing Students Council - Exemption denied	7,284	April 30, 2003
Physical & Occupational Therapy Graduate Students' Council	1,920	April 30, 2003
Students' Law Society	36,375	August 31, 2003
The Medium	43,978	April 30, 2003
Scarborough College Students' Press (The Underground)	26,302	April 30, 2003

**TABLE III:** Societies that have submitted their 2001/2002 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
Graduate Architecture, Landscape & Design Student Union (received)	14,291	August 31, 2002
New College Residence Council (received)	15,918	May 31, 2002
Scarborough College Students' Press (The Underground) (received)	23,268	April 30, 2002
The Scarborough College Athletic Association (2001/2002 statements still outstanding)	32,991	May 31, 2002
The Medical Society (2001/2002 statements still outstanding)	42,763	June 30, 2002
The Architecture Students' Union (no longer exists)	2,568	July 31, 2002

Respectfully submitted,

Mr. M.L. Britt  
 Director  
 Internal Audit Department

April 16, 2004