



TO: University Affairs Board

SPONSOR: David Farrar, Deputy Provost & Vice-Provost, Students  
CONTACT INFO: Phone (416) 978-3870 / Email <david.farrar@utoronto.ca>

DATE: April 20, 2006 for April 25, 2006

AGENDA ITEM: 5 (a)

**ITEM IDENTIFICATION:**

Compulsory Non-Academic Incidental Fees – Student Society Fees: 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*.

Section B.2.b. of the *Policy* provides that fees are withheld from societies failing to meet the December 31<sup>st</sup> deadline until such time as the auditor’s report is received by the University. Pursuant to the advice of the Internal Audit Department, fees are also withheld from societies if there is a denial of audit opinion, or if there is another element of the audited statements which requires special attention.

**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” in the attached report from the Internal Auditor’s department. External auditors’ comments on the 2004-05 financial statements are available for viewing by Board members through the Office of Student Affairs.

The following student societies are required to submit audited financial statements or seek an exemption from the audit requirement for the 2004-05 fiscal year:

Society Name	2004-05 Fee Revenue
89 Chestnut Residence Council	\$ 16,119.00
Arts & Science Students' Union	\$ 263,053.99
Association of Part-time Undergraduate Students (APUS)	\$ 581,913.42
CIUT-FM, University of Toronto Community Radio	\$ 173,194.63
Dental Student Society	\$ 9,750.00
Engineering Athletic Society	\$ 35,075.25
Engineering Society	\$ 653,511.88
UTM Athletic Council	\$ 77,518.29
UTM Residence Council	\$ 15,780.00
Erindale Part-time Undergraduate Students Assoc	\$ 10,247.70
Erindale College Student Union	\$ 207,562.95
The Medium	\$ 59,982.84
Graduate Architecture Landscape and Design Student Union	\$ 23,175.00
Graduate Business Council	\$ 25,280.00
Graduate House Council	\$ 16,715.74
Graduate Students' Union (GSU)	\$ 2,153,150.02
Innis College Student Soc	\$ 12,760.00
Students' Law Society	\$ 38,960.00
Medical Society	\$ 45,924.64
Faculty of Music Undergraduate Association	\$ 6,525.00
New College Residence Council	\$ 17,300.00
New College Student Council	\$ 228,057.00
Faculty of Nursing Student Council	\$ 12,050.50
Occupational Therapy & Physical Therapy Graduate Students Council	\$ 3,065.00
Physical Education & Health Undergraduate Association	\$ 17,237.50
Scarborough Campus Students' Union (SCSU)	\$ 453,889.97
Scarborough Campus Community Radio	\$ 31,452.00
Scarborough Campus Students' Press ( <i>The Underground</i> )	\$ 39,321.25
Scarborough College Athletic Association	\$ 55,049.75
Scarborough Student Village Council	\$ 18,625.00
Students' Administrative Council (SAC)	\$ 7,969,034.34
Student Teachers Union	\$ 76,410.00
Undergraduate Pharmaceutical Society	\$ 41,486.26
University College Literary & Athletic Society	\$ 114,329.16
University College Residence Council	\$ 7,700.00
Varsity Publications ( <i>The Varsity</i> )	\$ 63,499.95
VIBE Radio Erindale	\$ 38,761.30
Woodsworth College Student Association	\$ 138,686.25

Fee revenues include portions designated for special projects and other organizations. Fee revenues for SAC, APUS, GSU and SCSU, include portions designated for health and dental plans.

One new society, the Woodsworth College Residence Council, will be required to submit audited statements beginning with the 2005-06 fiscal year.

**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 2004/2005 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 – Vice-President and Provost  
Professor D. Naylor – President  
Mr. L. Charpentier - Secretary of the Governing Council

**TABLE OF CONTENTS**

	<b>Page</b>
<b>INTRODUCTION</b>	<b>3</b>
<b>OBJECTIVE AND SCOPE</b>	<b>4</b>
<b>COMPARATIVE SUMMARY OF AUDITORS' OPINIONS</b>	<b>4</b>

## 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-eight 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 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 \$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 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, 2004 to August 31, 2005. Twenty-six 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 March 15, 2006, 13 societies (33%) had not submitted their 2004/2005 audited financial statements. Incidental fees are not released to the societies until audited financial statements are submitted.

As noted in the 2003/2004 Internal Audit report, 14 societies (36%) did not submit their financial statements by the date of that report. Financial statements have since been received for six of the societies (Table III). The Graduate Architecture, Landscape & Design Student Union, Graduate House Council, Music Undergraduate Society, and the Scarborough College Students' Press (The Underground) have not submitted their 2003/2004 statements as at the date of this report; the Erindale Part-Time Undergraduate Students Association, Physical & Occupational Therapy Graduate Students' Council, and the Medical Society have not submitted their 2002/2003 and 2003/2004 statements as at the date of this report.

## COMPARATIVE SUMMARY OF AUDITORS' OPINIONS

The following summarizes the external auditors' opinions and exemptions granted or denied in 2004/2005 and 2003/2004:

	<u>2004/2005</u> (38 societies <sup>1</sup> ) 1 affiliate)	<u>2003/2004</u> (38 societies, 1 affiliate)
1. Unqualified audit opinions	8	7
2. Qualified audit opinions	15	16
3. Audit exemptions granted	<u>*3</u>	<u>2</u>
Submitted and reported on by Internal Audit	26	25
4. Audited financial statements outstanding at the time of this report	<u>@ 13</u> <u>39</u>	<u>% 14</u> <u>39</u>

\* See Table I (Page 5)

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

% See Table III (page 6)

---

1. The 89 Chestnut Residence Council is the only new society noted this year. The Transitional Year Program Student Association (TYPSA) is no longer tracked for the purpose of this report (see Note 3)

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

NAME	FEE REVENUE \$	OTHER REVENUE
University College Residence Council	7,700	0
New College Residence Council	17,300	3,257
Music Undergraduate Society	6,525	7,549

**TABLE II:** Societies that have not submitted their 2004/2005 audited financial statements as at March 15, 2006.

NAME	FEE REVENUE \$	YEAR-END
89 Chestnut Residence Council	16,119	N/A
Erindale Part-Time Undergraduate Students Association (See also Table III)	6,174	April 30, 2005
Graduate Architecture, Landscape & Design Student Union (See also Table III)	23,175	August 31, 2005
Graduate House Council (See also Table III)	16,201	December 31, 2005
Medical Society (See also Table III)	45,925	June 30, 2005
Innis Residence Council	12,760	April 30, 2005
Nursing Students Council	12,050	April 30, 2005
Physical & Occupational Therapy Graduate Students' Council (See also Table III)	3,065	April 30, 2005
Physical & Health Education Undergrad Association	17,237	May 31, 2005



**TABLE II (Cont.)**

Students' Law Society (See also Table III)	38,960	August 31, 2005
The Medium (See also Table III)	59,983	April 30, 2005
UTSC College Student Village Council	18,625	April 30, 2005
Varsity Publications Inc. (The Varsity) (See also Table III)	63,500	April 30, 2005

**TABLE III:** Societies that have submitted their 2003/2004 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
Erindale Part-Time Undergraduate Students Association (2002/2003, 2003/2004 statements still outstanding) <sup>2</sup>	5,286	April 30, 2004
Graduate Architecture, Landscape & Design Student Union (Outstanding)	20,441	August 31, 2004
Graduate House Council (Outstanding)	16,376	December 31, 2004
Music Undergraduate Society (Outstanding)	6,712	May 31, 2004
Physical & Occupational Therapy Graduate Students' Council (2002/2003, 2003/2004 statements still outstanding) <sup>2</sup>	2,405	April 30, 2004
Scarborough College Students' Press (The Underground) (Outstanding)	35,705	April 30, 2004
Student's Law Society (Received)	39,460	August 31, 2004

**TABLE III (Cont.)**

Medical Society (2002/2003, 2003/2004 statements still outstanding) <sup>2</sup>	45,456	June 30, 2004
The Medium (Received)	56,549	April 30, 2004
Transitional Year Program Student Association <sup>2</sup> (Outstanding)	1,740	September 30, 2004
UTM Residence Council (Received)	15,240	April 30, 2004
Varsity Publications Inc. (The Varsity) (Received)	60,189	April 30, 2004
Woodsworth College Students Ass. (Received)	137,347	April 30, 2004
VIBE - Radio Erindale (Received)	29,848	April 30, 2004

Respectfully submitted,

Mr. M.L. Britt  
 Director  
 Internal Audit Department

March 17, 2006

---

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 (\$12,809.05); Physical & Occupational Therapy Graduate Students' Council (\$9,429.55); Medical Society (\$138,095.88)

2. The TYPSA held a referendum in 2004-05 directing that fees charged on behalf of the organization be paid to a University account to be administered by a TYP staff member. The TYPSA retains control over spending decisions and the right to direct the University to resume payments to the society. Given that students spend only one year in the Transitional Year Program, and the fact that the society receives a very small amount of money through fees (less than \$2,000), and given that a University staff member already administered the society's accounts, it was felt that the cost associated with maintaining separate accounts and preparing statements was an unnecessary requirement on the society. Since this was based on a democratic process and because TYPSA retains the right to reverse this, Student Affairs has agreed to the request of the students.