



SFC Call for information

University financial statements and returns 2018-19

Issue date: 25 October 2019

Reference: SFC/CI/08/2019

Deadline: 31 December 2019

Summary: This Call for information requests copies of audited 2018-19 financial statements and associated supporting information.

FAO: Principals, Directors of Finance and Governing Body Secretaries of Scotland's universities

Further information:

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Or

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Higher Education Institutions: Financial statements and returns 2018-19

Purpose

1. I am writing to ask you to send us copies of your audited 2018-19 financial statements and associated supporting information by 31 December 2019.

2018-19 financial statements

2. In preparing their annual report and accounts, Higher Education Institutions are required to comply with the Accounts Direction¹ issued on 24 May 2019.
3. The annual accounts review is an established part of the Scottish Funding Council's (SFC) financial health monitoring framework. As with last year's return, SFC will be using the Finance Statistics Return (FSR) submitted to HESA as the basis for our annual accounts review. The FSR is due to be submitted by institutions to HESA on 3 December 2019.
4. However, in accordance with the requirements of the *Financial Memorandum*, we require institutions to send us PDFs of the following documents no later than 31 December 2019:
 - A signed copy of the audited financial statements (if these are not yet ready, please provide a copy of the draft accounts and let us know why there has been a delay).
 - Full final management letter and report from your external auditors.
 - Paper to the finance committee which accompanied the financial statements.
 - Internal auditor's full final annual report.
 - Audit committee annual report.
 - A commentary to explain the variances shown in the financial statements (see below).
5. We have removed the requirement to send us a full set of subsidiary accounts with the other documentation this year. However, we reserve the right to ask for individual subsidiary accounts when required.
6. If any of your documents are ready prior to 31 December, earlier submission to SFC would be welcomed.
7. Annex A contains a checklist which can be used to ensure the correct documents are submitted.

¹ <http://www.sfc.ac.uk/publications-statistics/guidance/2019/SFCGD052019.aspx>

8. PDFs should be emailed to: isg-returns@sfc.ac.uk.

Commentary on financial statements

9. It is important, to our interpretation of the financial statements, to understand the underlying operating performance of the institution and comparison with prior years. The commentary should refer, inter alia, to the following:
 - Explanation of year on year variance (as flagged in Tables 1-3 of the FSR).
 - Description of any material items.
 - Operating performance in the year.
 - Cash generated from operations.

Update on operating position

10. If your institution has recorded any significant deterioration in its financial position since the end of 2018-19, please inform the relevant Senior Financial Analyst within the Finance Directorate as soon as possible and provide a full commentary as to the reasons for the deterioration. A list of the [Senior Analysts and their portfolios](#) can be found on our website.
11. If any covenants relating to your institution's borrowing have been, or are likely to be, breached within the next 12 months please advise the relevant Senior Financial Analyst as soon as possible.

Change to the deadline for the 2019-20 accounts

12. As set out in the 2018-19 Accounts Direction, we are moving the submission date forward to 1 December for the 2019-20 accounts to bring it into line with the HESA FSR return deadline.
13. I would be grateful if you could ensure your Committee and Governing Body meeting dates for 2020 take this into account.

Further information

14. Please contact Claire Taylor, Senior Financial Analyst, Finance, tel: 0131 313 6604, email: ctaylor@sfc.ac.uk or Dorothy Carson, Senior Financial Analyst, Finance, tel: 0131 313 6607, email: dcarson@sfc.ac.uk for further information.

A handwritten signature in black ink that reads "L. MacDonald". The signature is written in a cursive style with a large initial 'L'.

Lorna MacDonald
Director of Finance

Annex A

Financial statements and returns checklist

Please ensure the following items are submitted to SFC no later than 31 December 2019:

1	A signed copy of the audited financial statements	PDF
2	Management letter and report from external auditor	PDF
3	Paper to finance committee which accompanied the financial statements	PDF
4	Internal auditor's annual report	PDF
5	Audit committee annual report	PDF
6	Commentary to explain variances	PDF