



SFC Call for information

University financial statements and returns 2016-17

Issue date: 27 November 2017

Reference: SFC/CI/10/2017

Deadline: 31 December 2017

Summary: This Call for information requests copies of audited 2016-17 financial statements and associated supporting information by 31 December 2017.

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

Further information:

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Or
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Higher Education Institutions: Financial statements and returns 2016-17

Purpose

1. I am writing to ask you to send us copies of your audited 2016-17 financial statements and associated supporting information by **31 December 2017**.

2016-17 financial statements

2. In preparing their annual report and accounts, Higher Education Institutions are required to comply with the Accounts Direction¹ issued on 20 June 2017.
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 1 December 2017. Institutions are no longer required to prepare an annual accounts spreadsheet for SFC.
4. However, in accordance with the requirements of the *Financial Memorandum*, we require institutions to send us PDFs or hard copies of the following documents no later than **31 December 2017**:
 - 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.
 - Subsidiary accounts where applicable.
 - 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. If any of your documents are ready prior to 31 December, earlier submission to SFC would be welcomed.
6. 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/guidance-2017/SFCGD092017.aspx>

7. PDFs should be emailed to: isg-returns@sfc.ac.uk and hard copies should be sent to Anne White, Administrative Officer, Scottish Funding Council, Apex 2, 97 Haymarket Terrace, EH12 5HD.

Commentary on Financial statements

8. 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

9. If your institution has recorded any significant deterioration in its financial position since the end of 2016-17, 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.
10. 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.

Proposed change to the deadline for the 2017-18 accounts

11. It is our intention to move the submission date forward to 1 December for next year's accounts (2017-18) and this will be subject to a consultation with the sector in the coming months.

Further information

12. 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

Financial statements and returns checklist

Please ensure the following items are submitted to SFC no later than 31 December 2017:

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	Subsidiary accounts (where applicable)	PDF
5	Internal auditor's annual report	PDF
6	Audit committee annual report	PDF
7	Commentary to explain variances	PDF

* These documents can be sent to SFC in hard copy if preferred.