



Scottish Funding Council
Comhairle Maoineachaidh na h-Alba

University financial statements and supporting documents 2019-20

SFC Call for Information

Issue Date: 5 November 2020

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Deadline: 28 February 2021

Reference: SFC/CI/11/2020

Summary: This Call for information requests copies of audited 2019-20 financial statements and associated supporting information.

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

Further information: **Contact:** Claire Taylor / Dorothy Carson
Job title: Senior Financial Analyst
Department: Finance
Tel: 0131 313 6604 / 0131 313 6607
Email: ctaylor@sfc.ac.uk / dcarson@sfc.ac.uk



Scottish Funding Council
Comhairle Maoineachaidh na h-Alba

Scottish Funding Council
Apex 2
97 Haymarket Terrace
Edinburgh
EH12 5HD
T 0131 313 6500
F 0131 313 6501
www.sfc.ac.uk

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University financial statements and supporting documents 2019-20

Purpose

1. I am writing to ask you to send us copies of your audited 2019-20 financial statements and associated supporting information by 28 February 2021.

2019-20 financial statements

2. In preparing their annual report and accounts, higher education institutions are required to comply with the Accounts Direction¹ issued on 17 July 2020. The Direction confirmed that the Scottish Funding Council (SFC) is prepared to allow an additional two months for the 2019-20 audited information to be submitted, as a result of challenges related to the current environment, thereby extending the deadline to 28 February 2021. While we would still encourage institutions to submit this information as early as possible, we are providing this flexibility where it is not feasible.
3. The annual accounts review is an established part of SFC's 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.
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 28 February 2021:
 - 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).

¹ <http://www.sfc.ac.uk/publications-statistics/guidance/2020/SFCGD142020.aspx>

5. As was the case last year, we have removed the requirement to send us a full set of subsidiary accounts with the other documentation. However, we reserve the right to ask for individual subsidiary accounts when required.
6. As highlighted above, if any of your documents are ready prior to 28 February 2021, earlier submission to SFC would be welcomed.
7. **Annex A** contains a checklist which can be used to ensure the correct documents are submitted.
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 including COVID-19 impacts and mitigating actions taken.
 - Cash generated from operations.

Update on operating position

10. If your institution has recorded any significant deterioration in its financial position for the current Academic Year (2020-21) compared to that set out in the 2020 Strategic Plan Forecast, 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.

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, appearing to read 'L. MacDonal'.

Lorna MacDonal
Director of Finance

Financial statements and supporting documents checklist

Please ensure the following items are emailed to SFC no later than 28 February 2021:

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