

SSMU CLUB AUDIT WORKSHOP

Richie Youm, Club Auditor
March 29-30, 2019



Types of Headaches

Migraine



Hypertension



Stress



Club Audits



Agenda



01

Introduction

> Print (“Hello World”);

02

What’s an Audit?

“Why do I need to?”

03

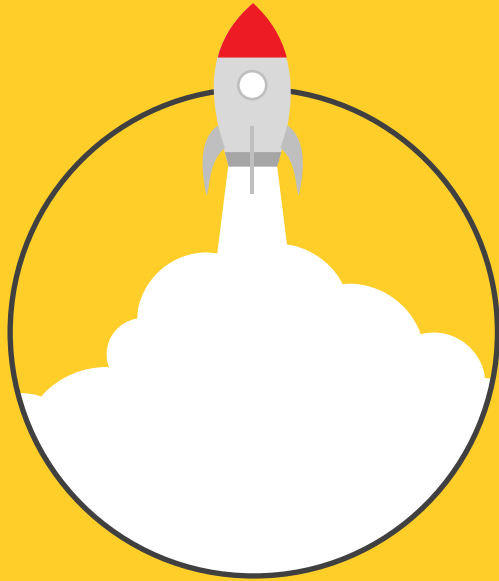
Audit Guidelines

“When & What to submit”

04

General Rules & Tips

“It’s dangerous to go alone! Take this.”



INTRODUCTION

Who are we?



Jun Wang

VP Finance

**The person you email about
Banking / Other Finances**

finance@ssmu.ca



Richie Youm

Club Auditor

Email about AUDIT

ryoum@ssmu.ca

Me!



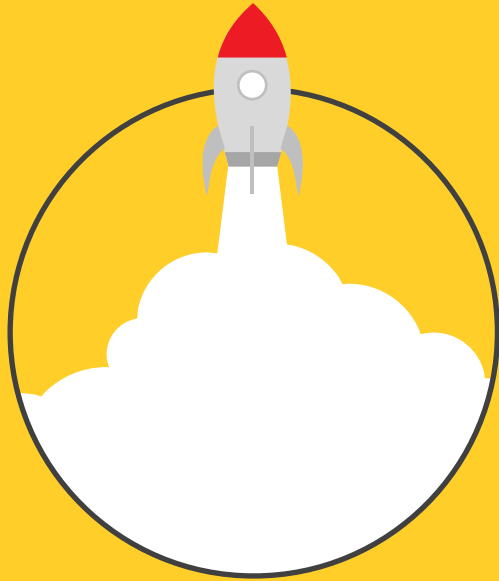
Sophia Esterle

VP Student Life

**The person you email about...
everything else**

studentlife@ssmu.ca





WHAT'S AN AUDIT?

What Is An Audit?

Club audit is an evaluation of your club's finances



Accuracy

Are the information given accurate?



Compliance

Are you in line with the rules and regulations?



Completeness

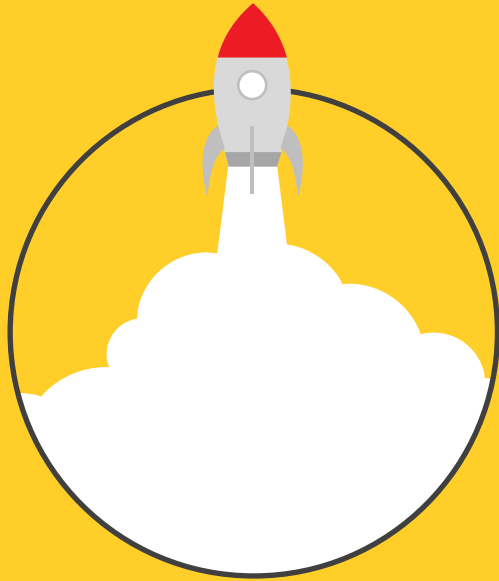
Did you provide all relevant information in full?

All clubs are required to submit their audit form every semester

Club audit represents you and your club's **credibility**, **competency** and **reliability**.

Your audit result is also used by the Funding Committee to determine your eligibility for funding





AUDIT GUIDELINES

Audit Timeline

Bank transition is over, woohoo!



2018



2019



Fall Audit

May 1st – Nov 7th
Due December 21st
11:59 PM

Winter Audit

Nov 8th – Apr 30th
Due May 7th
11:59 PM

Going Forward

Fall: May 1st – Dec 31st
Winter: Jan 1st – Apr 30th

Those that did not submit fall audit on time are to report
May 1st 2018 – Apr 30th 2019

NO late submission will be accepted!



What To Submit

This is your checklist!

01

Transaction List
Financial transaction records

02

Supporting Documents
Reference to the transactions; sources

03

Disclosures
Explanation, clarification and all relevant information

**You Need All
Three To Pass!**



1. Transaction List



- It will be available on the audit form, which will be sent through email
- Transaction list will detail your revenues & expenses **chronologically**
- Every line item on the list must be supported by an approved piece of documentation
 - Photos of cheques, cheque copies / stubs do not count!
 - You will need a thorough record of any financial transactions
 - Ex) Cash, cheque, ACH, credit card, deposits
 - Receipts, invoices, etc.
- You need to include outstanding payables & receivables
 - Money you're yet to pay / receive
 - List it as 'payable'/'receivable' under "Cheque # or Cash"

Transaction List Form

Revenue/Expense	From/To	Description	Account Number	Amount	Date	Cheque# or "cash"	Reference #
Please select			Please select				
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2. Documentation



- You need to PDF merge **all** documentation related to revenues & expenses
 - ❑ Must be scanned clearly; illegible scans will result in a **penalty**
- Each items should have reference numbers and be in order
- Should the files be too large to upload, you may email them to me
 - ❑ Email: ryoum@ssmu.ca
 - ❑ Note: You still need to complete the form. Feel free to upload a blank file for receipts section if this is the case
- Documentation for revenues must include:
 - Bank deposit slip / proof of event (if available)
- If your club was sanctioned previously, make sure to provide elaborative documentations (ex- did event really happen? Paid to right person?)

3. Disclosures



- You must disclose all information that pertains to:
 - Related party transactions
 - Operating / Accounting errors (losses, uncertainty/inaccuracy)
 - Signs of fraud / unfaithfulness of executives
 - Any relevant qualitative & quantitative information
- As VP Finances of SSMU clubs, you're accountable for providing all such information in full, without errors
- Failure to comply will result in a disciplinary action
- If your club has been sanctioned previously, make sure to provide elaborative explanation of your activities, operation & improvements as well

Audit Criteria

Accuracy



/5

Accurate Information

- Legitimate records
- Matching documentation
- Correct disclosures

Compliance



/5

Regulatory Compliance

- SSMU & Audit rules
- Auditor requests
- Proper procedures

Completeness



/5

Complete Information

- Complete records
- Complete documents
- Complete disclosures



Audit Scores

Weighted Avg. Score	Results
4 - 5	Pass
1 - 3	Fail

Notice that we no longer have a warnings category!





Audit Interview

- Your club may be selected to an interview with the club auditor, either by random or needs
- This is for us to gain greater level of audit assurance
- Non-compliance to auditor requests & meetings, or any form of threats towards any SSMU personnel will result in an immediate **sanction**
- The auditor may assess the adequacy of the club's system based on topics such as:
 - **Internal control**
 - **Operating compliance**
 - **Unusual transactions**

Please bring:

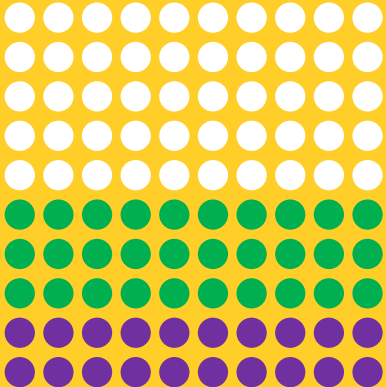
- Ongoing transaction lists / budget form
- Cash box with all cash inside
- Any notes of your financial procedures



Fall Audit Result

(Figures are approximate)

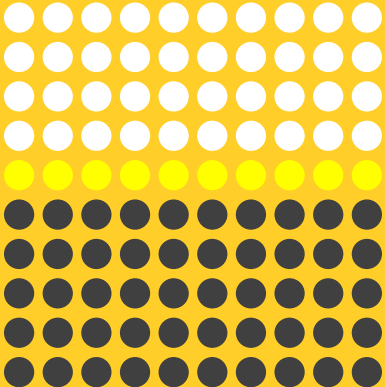
50%



Pass / Non-selected

Received a passing score due to satisfactory audits / non-selected for audit

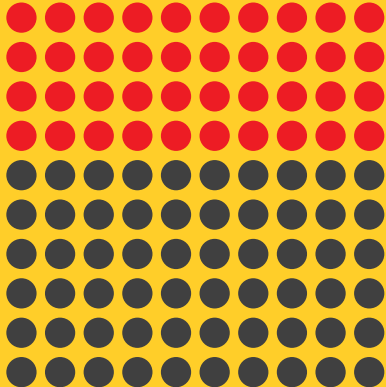
10%



Warning

Received a warning score, considered a temporary pass

40%

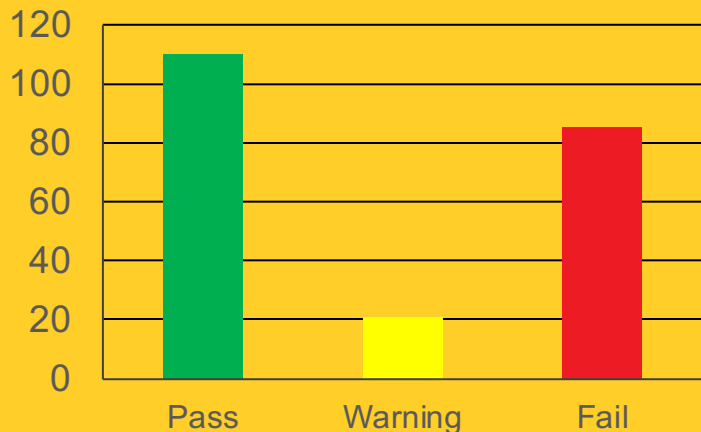


Fail

Received a failing score, due to unsatisfactory audit



Fall Audit



Fall Audit Results

Oh Boy, Oh Boy!

Hope that was a wake-up call for you!

Leading causes of high failure were:

- Late submission
- Incompliance with audit rules

I Recommend...



PLAN AHEAD

Start early! Ensure you have everything you need. All you have to do then would be just uploading them.



DOUBLE CHECK YOUR SUBMISSION

Make sure you have included everything you need, as this will be the very final form you'll be audited on.



LOOK BACK AT THE SLIDES!

What you're doing wrong is often painfully obvious when you check the guidelines...



ASK, DON'T ASSUME!

If you're unsure about something, email me your concerns. Please note, however, that I won't be as responsive near the audit deadline



General Rules

- Deposit cash ASAP after events.
- Cash box should only contain maximum \$100, only to make a change.
 - Less than \$100 is highly encouraged
- NO cash payment/reimbursement is allowed
 - Ex) If you're paying for samosa, pay with your OWN money and reimburse using ACH/cheque!
- Do not store any club funds in your personal bank account
- Keep your financial information confidential
- Reimburse ONLY after receiving proper receipts
- Keep a record of any financial transactions in full detail
- Be transparent and conservative when deciding which item to reimburse
- Reimburse execs using ACH. Cheques is an alternative, but more expensive option
- Remember, disclosure is a **must**, but it does not liberate you from consequences!
 - Failure to disclose is a serious matter on its own



General Rules

- If you received a **pass** in the Fall audit,
 - This does not guarantee you that your club will be in good standing in the Winter audit
 - Many either:
 - Only had few transactions to report, or
 - Were not selected for Fall audit
- If you received a **warning** in the Fall audit,
 - You received considerations for unforeseen events in Fall semester
 - However, the same type of behavior will result in a definite fail in the Winter audit
- If you received a **fail** in the Fall audit,
 - Many either:
 - Did not submit audit forms on time
 - Was below the threshold for the 'Warning' criteria

Fall audit results are now final and we no longer accept any request for revisions.



Sanctions

Issue	Sanction	Duration
No / outdated Student Group Info Form	Suspension of room bookings, No change of signing officers, No new account, Suspension of funding	Until the submission of the form
First unsatisfactory audit	Suspension of bank account	90 days
Consecutive unsatisfactory audit	Termination of bank account	1 year, status revision
Misuse of funds	Termination of bank account	1 year, status revision



Sanctions

Issue	Sanction	Duration
First absence at workshop	No Room Bookings	90 days
Second absence at workshop	Suspension of room bookings, Suspension of account, Suspension of funding	90 days
Third absence at workshop	Termination of all services	1 year, status revision
1 instance of overdraft in the financial year	Suspension of bank account	90 days
2 instances of overdraft in the financial year	Termination of bank account	1 year
Non-payment	Suspension of bank account	90 days
Multiple sanctions	Status revision	

Be aware: Despite being a Financial Audit, should other areas of Clubs non-compliance come to light, these will be noted and could result in sanctions!



Additional Information



- All club resources can be found at: <https://ssmu.ca/student-life/clubs-resources/>
(find “Financial Management” section for audit)
 - clubs signing officers are **highly encouraged** to familiarize themselves with these Club Rules.
- If your club was **sanctioned** and does not have a bank account access, you must operate under extreme caution for your finances.
 - Your audit will be assessed on a much stricter ground
 - Ensure you have elaborative documentation and proof of events.
 - Stay away from transactions that could risk any transparency
- If you’re aware of wrongdoings of other clubs or have a suspicion of fraudulent activities, please do not hesitate to send an email to me. Your identity will be kept anonymous and confidential.



McGill



Thank you!

Richie Youm

Club Auditor

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