**LAST UPDATED: MARCH 12th, 2022**

**What are the levy audits?**

Twice a year, the Finance Chair for the Victoria University Students’ Administrative Council (VUSAC) alongside a representative from the Victoria College Payroll Office audits the semesterly financial performance of each levy under VUSAC.

It’s important to note that levies at VUSAC have autonomy in their operations. That is, they operate separately from VUSAC with their own financial accounts, budgets, and operating policies. However, practices are in place to coordinate levies’ actions with the greater council. For example, each levy’s semesterly budget must be voted on and approved by VUSAC and use of student fees (financial performance) is audited.

All Victoria College students pay ancillary fees towards each levy at Victoria College in addition to VUSAC. To ensure funds have been spent in an ethical matter, roughly once per semester, their financials are reviewed. These audits come before the release of semesterly funds to levies. That is, to receive Winter 2022 funds, all levies had to pass their Fall 2021 audit.

This year, VUSAC took a transformative approach to conducting its levy audits. Rather than just reviewing the financial performance of levies to ensure funds were spent ethically, in line with their VUSAC ratified budgets, the audits were used to additionally assess broader operating performance. The result of these audits can be seen on the VUSAC website, with the “Winter 2022 Levy Audit Report” Excel file. The exact file has not been linked on this report as we expect it to periodically change over the semester.

**What levy audits were conducted this semester?**

In Winter 2022, VUSAC conducted audits of all levies directly supervised underneath VUSAC for the Fall 2021 semester. This included:

* Acta Victoriana
* Caffiends
* The Cat’s Eye
* The Strand
* VicXposure
* Victoria College Athletics Association
* Victoria College Drama Society (in progress, thus reporting may be limited)
* Vic Pride!

The following levies were exempt:

* BLVCK. BLVCK is in its inaugural year, and only became operational in Winter 2022. There were no financials to review.
* Student Project’s Fund. The Student Project’s fund is directly overseen by the Dean’s Office.
* WUSC. WUSC is directly managed by the Dean’s Office.
* VISA. VISA was inactive for the Fall 2021 semester, before being taken over by the International Councillor and Vice President of Student Organizations in Winter 2022. There were no financials to review.

**What were the results of the levy audits?**

The full result of the Winter 2022 levy audits can be found on the VUSAC website under Governance -> Docs -> VUSAC Budget -> Winter 2022 Levy Audits Report.

Unfortunately, through the COVID-19 pandemic, many levies were significantly restricted in their operations. Thus, “student fee surpluses” especially began to accumulate. The Winter 2022 levy audits aimed to identify which levies were fully budgeting to spend annual student fees (that is, revenues generated from 2021/2022 student fees), and spend down any surplus of student fees occurred in previous years. Specific callouts to make towards the report include:

**Budgeted Utilization**

Budgeted utilization is defined as the percent (%) of annual student fees that levies budgeted to spend. That is, using a levy’s Fall 2021 and Winter 2022 budget, what percent of student fees did the levy expect to spend? Ideally, this number should be at least 90% for all levies, with only a marginal amount of student fees retained to allow for transitional periods from one school year to the next. VUSAC is currently working with the following levies to improve performance:

* Acta Victoriana. Acta Victoriana currently has budgeted to only spend 38% of annual student fees. VUSAC is working closely with the levy to increase programming for the remainder of the school year.
* Vic Pride! Vic Pride! was inactive for at least 1 academic year, with new representatives taking over the levy this year. Appreciating the efforts of the current leaders of the levy to reinvigorate it, we are working with them to introduce additional programming.

No adjustments were found to be needed for:

* BLVCK. The 18% discrepancy between annual student fee funding and budgeted expenses is due to reserve funds, to be used for partnership events between BLVCK and other student organizations outside of Victoria College. These are currently in the works.

Budgeted utilization above 100% implies a levy is budgeting to spend over one year’s worth of student fees, suggesting a spend-down of accumulated student fees.

**Budget Utilization**

Budget utilization is defined as the percent (%) of a levy’s Fall 2021 budget that was realized. That is, of what a levy budgeted for in the Fall 2021 semester, what percent did they actually spend for? Evident from the file, budget utilization for most levies wasn’t particularly high. Additional context will be provided in the “Expected Surplus” section to discuss what actions VUSAC is taking to address this. Additional context can be provided for some levies:

* Caffiends. Caffiends significantly spent over 100% of Fall 2021 student fees. The café is profit generating, with annual student fee funding of less than $1,000. Their budget utilization reflects their operating conditions – their café was only open for roughly 50% of the semester due to COVID-19 restrictions. VUSAC has no active concerns over its budget utilization.
* Cat’s Eye. The Cat’s Eye budget utilization does not reflect some honoraria payments yet to be paid to its executives. Acknowledging this will raise budget utilization to 85%. Additionally, the Cat’s Eye has an “in and out” budget line relating to merchandise. In Fall 2021, the lounge expected to pay $3,000 for merchandise expenses, reselling this to the Victoria College community at a 0% profit margin. Acknowledging this, knowing the Cat’s Eye was not permitted to open during the Fall 2021 semester, and the honoraria point, budget utilization would have been near 90%.
* Victoria College Athletic Association. The Victoria College Athletic Association was not billed several expected expenses, such as intramural bonds, although intramurals were ongoing. Adjusting for this brings their budget utilization to 58%.

**Expected Surplus**

With great concern, several levies are expected to end the 2021/2022 academic year with a surplus of over 70% of annual student fees. One of VUSAC’s main priorities for the remainder of the school year is to work with levies to decrease accumulated student fee surpluses by investing in long-term projects for the student community. We are addressing potential programming as follows, but welcome all suggestions from the Victoria College community:

* Acta Victoriana. Discussions to introduce new student programming in addition to its semesterly publication, such as author talks, book giveaways, and writing workshops.
* The Strand. Renovation of The Strand’s office, including investment in new technologies (e.g., computers) to improve the long-term quality of the newspaper.

We do not actively foresee any concerns with accumulated student fees for the Cat’s Eye, BLVCK, VicXposure, or the Victoria College Athletic Association.

**Conclusion**

We hope you appreciate the efforts of the 2021/2022 council to improve transparency of VUSAC’s financials.

Unfortunately, it has been challenging for many levies, and VUSAC, to normalize operations after the peak of the COVID-19 pandemic. Many levies, and VUSAC included, have inherited significant student fee surpluses from previous operational years. Additionally, operations were limited in both the Fall 2021 and Winter 2022 semester due to the delayed start to in-person classes, and abrupt move to online learning in December. Capacity limits and campus closures have additionally made it challenging for VUSAC and its levies to organize student programming.

However, we are confident that we can do better for you. We hope our transparent reporting of our shortcomings show how seriously we are taking this task. In response to the Fall 2021 levy audit reports, many levies have quickly jumped at the opportunity to introduce more programming, and we applaud their efforts. VUSAC internally is discussing ways to improve programming.

We hope to bring you a more positive report by the end of April, highlighting the improvements made over the last 2 months of the semester.