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SU awash in a sea of red ink

Tim Porter
Assistant News Editor

In a special audit by the accounting firm Ernst & Whinney, it was announced at this week's Student Union council meeting that the SU council incurred a \$174,430 debt in the last fiscal year.

The firm revealed that the financial management of the SU for the year ended Aug. 31, 1986, was marred by financial misappropriations, negligent record keeping and unaccounted for documentation. Auditor John A. Weatherhead said at the meeting that the debt could be as high as \$207,000.

In a letter to council, Peter Forbes, UNB SU Counsel, recommended "a full examination and investigation" of Oliver Koncz, Helena Rojas, Hugh Brown, Micheal Bennett, John Bosnitch and Tony English, as pointed to by the auditors. He said these individuals "appear to have improperly and personally benefited to varying degrees during their tenure of office."

Forbes was asked by the SU, headed by then President Stephen Smith (newly elected Larry Hansen was seated as President at the meeting), to examine certain loans of the former SU in the form of Promissory Notes.

Upon examination, Forbes said "all but a few of the said Notes were issued without the knowledge and consent of Council." Forbes went on to say that "this would appear to be nothing short of deliberate non-disclosure and executive abuse of authority in the financial administration of the Union."

Forbes pinpointed former Yearbook Editor Helen Rojas, as being paid \$1,000 in the form of a Promissory Note in advance of "anticipated" honoraria.

**REMEMBRANCE
DAY**

NOVEMBER 11

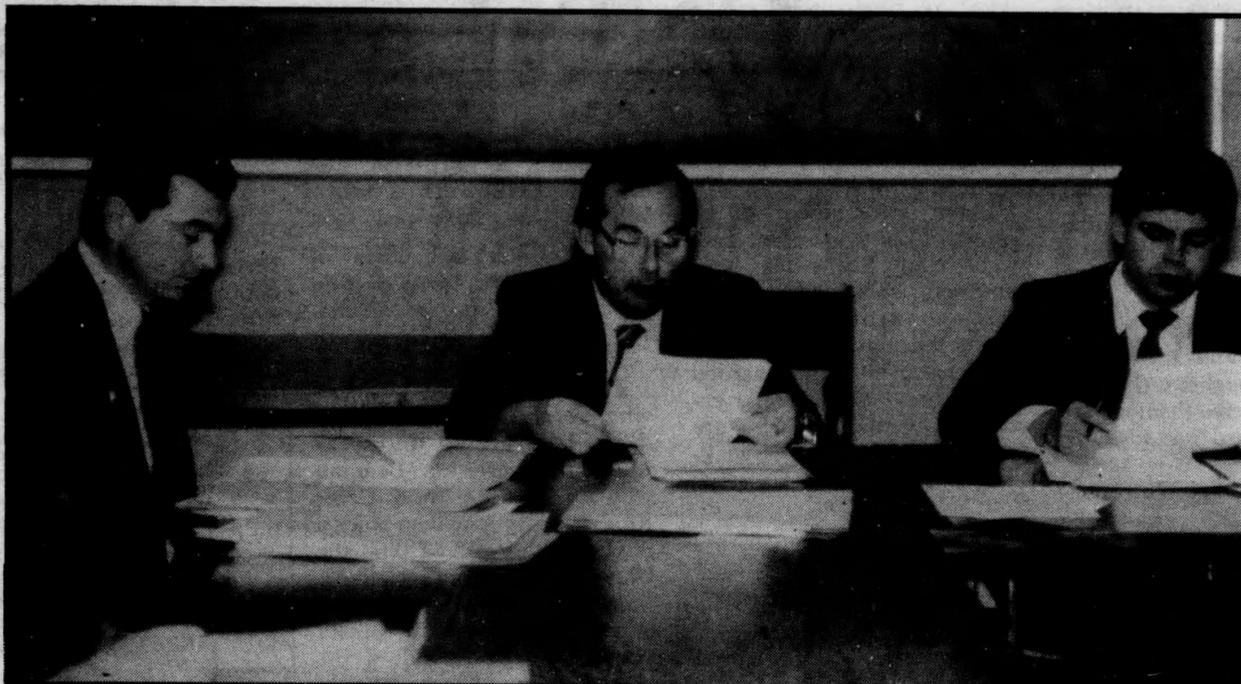


Photo by Al McDonald

Auditor John Weatherhead presents his report at Monday night's SU meeting, as SU Administrative Director Brian Walsh and Chairman Dwight McMinn read along.

Honoraria is paid only for specific performance and cannot be granted until the job has been done. The yearbook in question was never produced; however the former executive supports the payment to Rojas,

by saying that she completed her responsibility (she finished the flats).

The audit accounted for an expected \$60,000 for legal fees, which is owed to at least six local law firms. Legal fees in

1985 only amounted to \$1,083.

The former executive refused to recognize the audit as "official" and would not turn over any of their records. Thus, Weatherhead stated in the audit that he was unable to

satisfy himself "that the recorded transactions were proper."

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Administration to the rescue

By KAREN MAIR

A tentative agreement has been struck between the University of New Brunswick and the Student Union whereby \$147,108.96 will be loaned to the Union to help finance their deficit of \$174,000.

While the University has yet to sign the agreement, the issue has tentatively been agreed upon and the final decision now rests with the University's Board of Governors. The agreement will be put to the Board of Governors on November 28.

According to UNB President Dr. James Downey, the loan was not made to the Student Union in an effort to "bail

them out." Rather, it was made in an attempt to help the Union recover from their financial morass.

The agreement stipulates that the loan be paid back by way of a levy of 8 dollars per student; either to be collected in addition to the 30 dollar Student Union fee or to be collected by the University. Whatever method of collection is used, the 8 dollar levy will be brought into effect September 1987 and implemented for three years.

Downey was careful to point out that the agreement stipulates that the University will also receive regular audited reports from the Union and accounts of all disbursements. Finally the

University reserves the right to approve the Union's yearly budget until such time that the loan is fully paid back.

The University, for their part, will extend the loan to the Union interest free. Downey said that the loan is interest free in order not to aggravate the financial duress felt by the Student Union.

Given the fact that money has already been advanced from the University to the Union (earlier this summer) and that more money will be loaned, Downey emphasized that it is unlikely that the University will make another effort of this nature. He added, "It is up to the Student Union to improve upon past perfor-

mance and get things straightened out."

President Downey was asked by *The Brunswickan* what he felt was revealed by the auditor's report and he replied that "the financial state of the Student Union, as revealed by John Weatherhead's report clearly indicates that the actions of the Student Union Councillors (on April 17, 1986) in getting rid of the incumbent Student Union Incorporated was justified. Furthermore, the University was right in its action to lend support to the interim Executive and will continue to support the newly elected Student Union Council."