



Patrimoine
canadien

Canadian
Heritage

HUMAN RESOURCES DEVELOPMENT CANADA DEPARTMENT OF CANADIAN HERITAGE

Summary of Claimed and Audited Amounts

COUNCIL FOR CANADIAN UNITY Summer Works

For the Period from April 1, 1999 to March 31, 2000

Canada



Patrimoine
canadien

Canadian
Heritage

Canada

Reference number: 9181-00-0007

**AUDITORS' REPORT TO HUMAN RESOURCES DEVELOPMENT CANADA
DEPARTMENT OF CANADIAN HERITAGE**

We have audited the amounts claimed by the Council for Canadian Unity, as summarized in Schedule 1, for the period from April 1, 1999 to March 31, 2000 in accordance with the financial terms and conditions of the Contribution Agreement dated May 27, 1999 and the two Amendments to the Agreement. The purpose of Summer Works is to provide career-related summer employment and experience of the work environment for young people who will return to school, provide interprovincial work exchanges for young Canadians, and to provide participants with the opportunity to gain confidence in the use of their second official language. Preparation of claims is the responsibility of the management of the Council for Canadian Unity. Our responsibility is to express an opinion on these claims based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial information is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial information.

In our opinion, the audited amount of \$3,611,113 presents fairly, in all material respects, the amounts claimed and allowable for the period from April 1, 1999 to March 31, 2000 under the financial terms and conditions of the Agreement and its Amendments. Supporting information and related comments are provided in Schedule 1.

Chartered Accountants
Ottawa, Canada



Basis of Payment	Claimed Amounts	Audit Adjustments	Total Audited
Expenditures			
First Claim for the period April 1- November 30, 1999 - Disbursements	\$ 3,257,462	\$ 123,445	\$ 3,134,017
Second Claim for December 1, 1999 – March 30, 2000 - Disbursements	513,057	35,961	477,096
Total Expenditures per Claims	\$ 3,770,519	\$ 159,406	\$ 3,611,113



AUDIT ADJUSTMENTS

Audit adjustments presented in this report are for expenditures claimed under the Contribution Agreement (the “Agreement”) by the Council for Canadian Unity that either are not eligible under the terms and conditions of the Agreement or are not supported by sufficient supporting documentation (e.g. receipts, original documents).

1. First Claim - Disbursements

- (i) The following audit adjustments relate to instances where original airline tickets were not provided as supporting documentation to the amount claimed. CCU does not have a present procedure to request the airline tickets from the participants. In the absence of original documents, an adjustment has been made.

G/L	Date	Description	Reason for Adjustment	Amount
5030	August 1, 1999	K&N Invoice	No airline ticket available	\$1,701
5030	Sept 30, 1999	K&N Invoice	No airline ticket available	1,214
5030	Oct 31, 1999	K&N Invoice	No airline ticket available	2,163
5842	August 1, 1999	K&N Invoice #785688	No airline ticket available	2,198
5842	August 9, 1999	K&N Invoice #785781	No airline ticket available	1,502
Total				\$8,778

- (ii) The following expenditures relate to advances repayable on July 12, 1999. However, there is no evidence of the account being credited on July 12, 1999 or up to the date of the audit report.

GL Code	Date	Description	Amount
5930	July 7, 1999	Regional Coordinator	\$5,000
5930	July 7, 1999	Regional Coordinator	4,500
Total			\$9,500

- (iii) The following audit adjustments relate to payments to employers.

G/L Code	Date	Employer	Reason for Adjustment	Amount
5827	July 2, 1999	The Corp. of District of Saanich	Original support for the claim was not available.	\$4,054
	July 6, 1999	YMCA Calgary	Original support for the claim was not available.	5,339
	July 8, 1999	Kingston Economic Development	Original support for the claim was not available.	5,179
5830	July 7, 1999	Premiers Pas/Home start	Original support for the claim was not available.	3,912



	July 16, 1999	Ville D'Anjou	Original support for the claim was not available.	7,825
	July 17, 1999	Societe de Verdissement du	Original support for the claim was not available.	7,825
5831	July 8, 1999	Ecole du Leadership	No supporting documentation available.	3,915
Total				\$38,049

- (iv) The following adjustments relate to travel expenses claimed which did not have adequate original documentation to support the amount claimed.

G/L Code	Date	Employer	Reason for Adjustment	Amount
5030	Sept 30, 1999	Banque Royale Visa	Credit card bill provided, original invoices not available.	\$5,441
5030	Dec 12, 1999	Banque Royale Visa	Credit card bill provided, original invoices not available.	4,900
5840	July 8, 1999	Norac Consultants	Copy of supporting travel documentation found, not original (for Via Rail and Enterprise Rent-a-Car).	1,600
Total				\$11,941

- (v) The following adjustments relate to various activities where original documentation was not available or the expense related to a period different to the period under review.

G/L Code	Date	Employer / Description	Reason for Adjustment	Amount
5045	Nov 30, 1999	Gestion CLC	Original support for the claim was not available.	\$12,846
5130	July 1, 1999	AON Reed Stenhouse	Period (May 14, 99 – May 14, 2000) not the same as claim period. Invoice prorated for March 31, 2000 to May 14, 2000 period as this is the period under audit. Amount can be claimed in different period.	1,641
5130	July 1, 1999	AON Reed Stenhouse	Period (May 14, 99 – May 14, 2000) not the same as claim period. Invoice prorated for March 31, 2000 to May 14, 2000 period.	432
5920	July 7, 1999		Photocopy of invoice found, no original documentation.	7,380
5965	Dec 1, 1999		Original support for the claim was not	1,035



			available.	
5965	Dec 6, 1999		Original support for the claim was not available.	7,652
5047	April 30, 1999	Paye par Conseil	No supporting documentation available.	2,249
5465	May 9, 1999	Reclass – journal entry	No supporting documentation available to explain entry.	11,740
5465	May 31, 1999	Reclass – journal entry	No supporting documentation available to explain entry.	2,750
5465	June 1, 1999	Reclass – journal entry	No supporting documentation available to explain entry.	3,726
5465	April 1, 1999	Reclass – journal entry	No supporting documentation available to explain entry.	3,726
Total				\$55,177

Total Audit Adjustment for First Claim – Disbursements

\$123,445

2. Second Claim - Disbursements

The following adjustments relate to an instance where no supporting documentation was available. In the absence of original documentation, an audit adjustment has been made.

G/L Code	Date	Description	Amount
5970	March 30, 2000	CCU Labour support charges – no analysis available	\$35,961

Total Audit Adjustment for Second Claim – Disbursements

\$35,961



A. BRIEF OVERVIEW OF THE ACCOUNTING SYSTEM AND INTERNAL CONTROLS

In this section, we provide a brief overview of the accounting system of the CCU Summer Works Student Exchange program.

Organization

The main staff involved with this project are as follows:

Director General, Summer Works
Controller / Director of Finance
Controller
Accountant
Director of Transport

Transportation Costs

Airfare

All airline tickets are booked through K&N Travel in April. The airline tickets are mailed to each of the provincial coordinators who give them to the students. In April, an invoice for 90% of the estimated cost is sent from K&N Travel. A final invoice is sent in June once the final tickets have been delivered and the flights taken.

VIA Rail

An agreement was made with VIA Rail for a special price for all tickets ordered by Summer Works.

All transport invoices are sent to the Director of Transport who reviews them against the travel arrangements on file. The Director General approves the invoice before processing by accounting.

Reimbursement to Employers

Employers who meet the CCU criteria are paid 90% of the estimated costs for wages prior to the start of the work commencing. The wages are based on the minimum wage for the applicable province. Once the program is complete, the actual costs are calculated and the employer is reimbursed (or reimburses) the remaining amount owing, based on the actual costs, less the initial payment.



Cash Management

There are two bank accounts associated with this project maintained at the Royal Bank of Canada. One account is the main account for the CCU and the other is an account solely for Summer Work. Monies are transferred from the CCU account into the Summer Work account, as the money is needed prior to the cheques being written. Funds for the program are normally received on a reimbursement basis from HRDC/Canadian Heritage.

The signing authorities are the Director of Finance, Director General and the President and the CEO, as well as designated Board members.

Preparation of Progress Claims

The progress claims are based on actual expenditures made/incurred and some estimates where the final figures are not available.



B. COMMENTS ON MATTERS ARISING & ADDITIONAL TERMS OF REFERENCE

1. Claims include Estimated Amounts

Expense claims include amounts based on estimates and as a result actual expenses recorded in the general ledger did not always match the claim. CCU prepared a reconciliation of the claim to the expenses recorded in the ledger, which contained unexplained differences between the general ledger groupings and expense claim groupings. The total general ledger expense exceeds the total amount claimed by \$27,403, accordingly no adjustment has been made in this report.

In the future CCU should reconcile the general ledger on a regular basis to the claims submitted to HRDC/Canadian Heritage and account for any discrepancies.

2. Original Documents for Travel Expenses

A number of travel expenses claimed were based on photocopies of original vouchers since the participants still hold the original documents. In these cases the amounts have been shown as audit adjustments. CCU does not have a procedure in place to recover the original travel documents from the participants.

For future projects, either original vouchers are recovered from the participants as evidence to support the claim for travel expenses, or special arrangements are made with HRDC/Canadian Heritage as to the documentation to be made available to support the expenditure.

3. Period Covered by the Expenditures

Expenditures for insurance coverage extending beyond the end of the agreement have been charged to the claim. Per Schedule A of the Contribution Agreement, the expenditures under the Agreement must occur between April 1, 1999 and March 31, 2000.

An audit adjustment of \$2,073 has been made in the report (see Schedule 1, page 3) for this expenditure as the period covered is outside the agreement period. This amount can be claimed under subsequent agreements.



Patrimoine
canadien

Canadian
Heritage

Canada

Management Response

All outstanding amounts have been resolved by CCU withdrawing or amending claims and submitting new invoices for travel expenses and for equivalent expenses not previously submitted which occurred within eligible period. On-site review by departmental finance officer resulted in all claims being accepted. With respect to processing of non-original invoices, CCU offered additional evidence that the trips did occur.