



22 Wilson Street West | Perth, Ontario | K7H 2M9
Phone: 613-267-6580 | Fax: 613-267-7563
info@allanandpartners.com
www.allanandpartners.com

August 18, 2020

Lanark County Community Justice Program Inc.
Suite 10E
8 Herriott St.
Perth, ON K7H 1S9

Attention: Aisha Toor, Chairperson

Dear Ms. Toor:

Upon the completion of our examination of the books and records of Lanark County Community Justice Program Inc. for the year ended March 31, 2020, we would like to provide you with the following commentary which is worthy of your consideration.

During the course of the audit we identified various matters that may be of interest to management. The objective of an audit is to obtain reasonable assurance whether the financial statements are free of material misstatement. Our audit was not designed for the purpose of identifying matters to communicate. Accordingly, our audit would not usually identify all such matters that may be of interest to management and it is inappropriate to conclude that no such matters exist. The comments are not to be taken as criticisms directed at specific personnel of the management, accounting and administrative functions of the Organization, but rather as comments intended to strengthen the Organization's existing system of internal controls.

The purpose of adequate controls is to ensure, as far as practical, the orderly and efficient conduct of the Organization's business, including the discharge of statutory responsibilities, for example the safeguarding of assets, prevention and detection of fraud and error, reliability of accounting records and timely preparation of financial information.

HST Receivable

During the course of the audit, we noted the HST receivable is being overstated throughout the year and corrected when the return is filed. We would recommend you consider utilizing the accounting software feature that allows the HST rebate to be accrued based on the eligible amount. In this manner, expenditure during the year will be more accurately stated.

Accounting Estimates

We noted the year end included a nominal liability for accumulated vacation/overtime. We would recommend at year end, the chairperson or treasurer initial the last time sheet of the fiscal year end to confirm the obligation.

Risk Assessment

We noted in the minutes the regular review by the Board of emerging concerns as well as the implementation of policies and procedures. Risk assessment often deals with the lack of documented policies and consequently the lack of direction on procedures.

We would encourage the Board to continue with the regular assessment of risk and the development and adoption of policies and procedures which help reduce risks.

Segregation of Duties

Generally, a good system of internal controls relies on the segregation of duties such that one person does not handle a transaction from start to finish.

For instance for payables one person would not be responsible to procure the goods or services, enter the invoice, prepare, sign and mail the cheque. Clearly with small organizations this type of segregation of duties is not practical.

The Board has implemented some good compensating controls such as Board members must sign the cheques and approve the attached invoice and the regular review and monitoring of financial information. We encourage you to continue on with these practices.

It is our pleasure to be of service to the Organization in connection with the March 31, 2020 audited financial statements.

Should you have any questions concerning the above or any other matters, please do not hesitate to contact us.

Yours truly,



Carole Fuller, CPA, CGA

CF/bb

cc Joellen McHard, Executive Director