REPORT ON

METIS HOUSING GROUP

SUSTAINING GRANT

Thorne
Riddell
& Co.
CHARTERED ACCOUNTANTS

To Central Mortgage and
Housing Corporation

The following report is the result of a review of the existing financial and administrative systems of the Metis Housing Groups (hereinafter called "M.H.G.") Sustaining Grant.

The report outlines the problems which exist and sets out our recommendations for corrective action.

Our comments have been summarized under the following headings:

1) Expenditure Control
2) Banking Arrangements
3) Outstanding Expense Advances
4) Expense Reports
5) Job Descriptions

If you require our assistance in implementing any of the recommendations or wish to discuss any items further with us, we would be pleased to do so at your convenience.

Yours very truly,

Thorne Riddell & Co.

Saskatoon, Saskatchewan
November 24, 1976

Chartered Accountants

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Offices across Canada and Associates throughout the world

1) Expenditure Control

Invoices received from suppliers are matched with the applicable purchase orders. Periodically cheques are prepared and the paid invoices are filed by customer name.

The following procedures should be implemented to supplement the present accounts payable system to ensure adequate internal control over accounts payable.

1) the M H.G. controller should examine each invoice before a cheque is prepared and initial the invoice indicating his authorization.

2) clerical and extension checks must be performed on each invoice and this check must be evidenced on each invoice.

Considerable disbursements are made in payment of employees' credit card charges for automobile gasoline, service and repairs.

Issuance of credit cards should be limited to individuals who are required to travel extensively in the conduct of their employment responsibilities. Others, who make occasional trips on business activities, should recover their costs by submitting an expense report.

2) Banking Arrangements

Sustaining grant funds are presently maintained at the Canadian Imperial Bank of Commerce. Cheque signers are:

Either Harry Vandale or Dorreen Uhl

With one of the following:

Tony Campone

Alfred Durocher

Knapp Lafontaine

Peter Bishop

Due to the working capital deficiency in the M.H.G. housing projects funds were transferred from the sustaining grant account to the various housing project accounts. No transfers should ever occur between the sustaining grant and the housing projects. Assuming the working capital deficiency is rectified these transfers should never occur again.

There are presently too many cheque signers. Cheque signing authority should be limited to Dorreen Uhl (accountant) and Keith Andrews (controller).

Unused cheques should be locked up at the end of each day and only Dorreen Uhl should have access to them.

3) <u>Outstanding Expense Advances and Loans</u>

Specific repayment terms should be established for all outstanding expense advances and loans. No additional advances or loans should be made to employees who have not repaid or submitted expense reports to cover previous advances.

Future advances should be restricted to a maximum as determined by the M.H.G. controller, and should not be allowed to remain outstanding for more than a month. If an expense report is not received the advance should be deducted from the following month's pay.

4) Expense Reports

Expense reports are presently in the form of a batch of invoices stapled together with no summary identifying the type of expenses.

An expense report should be required from the individual claiming the expenses on which he would summarize the nature of the expenses. These reports should then be documented in a summary sheet for each employee and the M.H.G. controller should review these summary sheets on a regular basis to ensure expenses are reasonable and bona fide.

5) Job Descriptions

M.H.G. presently do not have written job descriptions for the employees covered under the sustaining grant. These should be prepared and documented in a manual.

M.H.G. has not established review procedures to monitor the performance of its staff members. Consideration should be given to establishing formal evaluation procedures for all staff members at six month intervals.