

**RAFIQ DOSANI, B.Comm. CFE CA**  
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July 30, 2008

Mr. Andy Mark, Treasurer  
Weston Village Business Improvement Area  
4 John Street  
WESTON, ONTARIO

Dear Mr. McDonald:

**MANAGEMENT LETTER  
YEAR ENDED DECEMBER 31, 2007**

The audit of the financial statements of the Weston Village Business Improvement Area (BIA) for the year ended December 31, 2007 has been completed. The primary purpose of the audit was to express an opinion on the financial position of the BIA as at that date and on the results of its operations for the year then ended.

Given the test nature of my audit, you will appreciate that reliance must be placed on adequate methods of internal control as the Board's principal safeguard against irregularities which a test examination may not disclose. This letter provides my comments and recommendations on matters arising from the audit for your consideration.

**GST**

**Observations:**

The Business Improvement Area is entitled to a rebate of 100 percent of all GST paid. However, in some cases the BIA paid GST but no GST registration numbers were provided by the suppliers.

**Recommendations:**

- 1. In order to comply with the Canada Revenue Agency guidelines, the BIA should not pay GST to a supplier unless the supplier provides a GST registration number.**

Management response:

In order to obtain GST registration numbers the BIA will be contacting those suppliers who charged GST but have not yet provided their GST registration numbers.

Management will ensure GST registration numbers are reported on the invoices prior to payment. For larger GST payment, management will also call the Canada Revenue Agency to verify the validity of the GST number.

## **REVENUE**

Observations:

During 2007, advertisements placed in two issues of "News & Views" flyers were not billed to advertisers. Consequently the BIA lost approximately \$7,000 income.

**Recommendation:**

- 2. The BIA should establish procedures to ensure detailed records are maintained of all advertisers and all invoices for the services rendered should be billed on a timely basis.**

Management response:

Agreed with the recommendation. The Treasurer has now established detailed procedures to record all revenue.

## **ACCOUNTS RECEIVABLE**

Observation:

During the year the BIA has written off old accounts receivable, however, these write offs were not approved by the Board.

**Recommendation:**

- 3. All accounts receivable to be written off should be approved by the Board.**

Management response:

Agreed with the recommendation. All old overdue and uncollectible accounts receivable to be written-off will be presented to the Board for their review and approval.

**SIGNING AUTHORITIES**

**Observation:**

As with most other BIAs, the Weston BIA has four signing officers these are the Treasurer, the Chair and two other Directors. Unlike most BIAs the Treasurer of Weston BIA did not sign the majority of cheques. It is the fiduciary responsibility of the Treasurer to sign all cheques or as a minimum review all paid cheques for appropriateness.

**Recommendation:**

- 4. The Treasurer should sign all cheques whenever possible before forwarding these for a second signature. Those cheques not signed by the Treasurer should be reviewed by him subsequently to ensure their appropriateness.

**Management response:**

Agreed with audit recommendation. As the Treasurer does not work in the business area, he will sign the cheques where possible. However, he will review all paid cheques for appropriateness.

Yours truly,



Rafiq Dosani