

**RAFIQ DOSANI, B.Comm. CFE CA**  
CHARTERED ACCOUNTANT

**Appendix AF-1:**

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March 13, 2018

Mr. Tao Drayton, Chair  
West Queen West Business Improvement Area  
789 Queen Street West  
Toronto, Ontario

Dear Mr. Carter:

**MANAGEMENT LETTER  
YEAR ENDED DECEMBER 31, 2017**

The audit of the financial statements of the West Queen West Business Improvement Area (BIA) for the year ended December 31, 2017 has recently 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.

During the course of the audit I followed up actions taken on recommendations made in the previous management letter and noted that the BIA has implemented all the recommendations. This letter provides my observations and recommendation on matters arising from the 2017 audit for your consideration.

**Bank Reconciliations**

**Observation:**

The BIA has retained an accountant who writes the books on an ongoing basis. However, he does not reconcile the bank monthly. The bank is only reconciled at the end of the year. It is the BIA's responsibility to ensure that all bank transactions are accurate. If there is any discrepancy, it is the BIA's responsibility to contact the bank and have it resolved. Failure to do so may expose the BIA to potential financial loss.

**Recommendation:**

- 1. In order minimize any potential financial loss; the BIA's accountant should be preparing monthly reconciliations. Any discrepancy discovered should be communicated to the bank and resolved immediately.**

**Management Response:**

The Board agreed with the recommendation. The Board will instruct the accountant to reconcile bank monthly and resolve any discrepancy discovered.

**T-4s**

**Observation:**

All employers are required to issue T4As to all parties who have received fees for services amounting to \$500 or more during the year. The BIA did not file T-4As during the year. Failure to file T4As would result in penalties amounting to \$100 for each T4A

**Recommendation:**

- 2. In order to comply with the Revenue Canada Agency guidelines, the BIA should ensure that T-4As and issued are filed on time.**

**Management Response:**

We agreed with the audit recommendation. In future T-4As will be issued and filed before the Revenue Canada Agency deadline.

**Observation:**

**Cash**

The BIA retains a significant of amount in the bank current account which does not earn interest.

**Recommendation:**

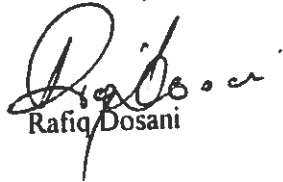
- 3. In order to generate additional revenue for the BIA, the excess cash which is not required immediately should be invested in short term investments to earn interest..**

**Management Response:**

The BIA will prepare cash flows monthly and any excess cash will be invested.

I would like to extend my appreciation to the Executive Director and the Manager for their cooperation and assistance throughout the audit.

Yours truly,

  
Rafiq Dosani