



May 23, 2023

Liberty Village BIA
67 Mowat Ave, Suite 104
Toronto ON M6K 3E3

Attention: Charles Arbez

Dear Charles:

During the course of our audit of Liberty Village BIA for the year ended December 31, 2022, we identified 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 and it is not designed to identify matters that may be of interest to management. Accordingly, an audit would not usually identify all such matters.

Expense testing exceptions

Missing documentation

During the course of our audit there was no supporting documentation for two expenses we selected: Toronto Videographers dated June 15, 2022 for \$1,679.04 and Accurate Impressions Ltd. dated May 31, 2022 for \$1,871.49. The organization was able to obtain another copy of the invoices from the suppliers to verify the expense, however it was not the original document and therefore did not have evidence that the expenses were approved by two board members.

No approvals

During the course of our audit we noted invoices paid with no approvals including Google Gsuite dated July 6, 2022 for \$52.88; Certas Home and Auto Insurance Co. dated January 4, 2022 for \$5,016.14; Hand in Glove invoices dated May 18, 2022 for \$819.07 and May 24, 2022 for \$2,310.31 and Facebook dated June 6, 2022 for \$50.88.

Only one board member approval

During the course of our audit we noted on 31 invoices we selected that they only had one board member approving the expense.

Implications

The organization's established internal control policies including document retention and evidence of two board members approval of expenses are to limit the risk of fraud and theft. Based on the results of the audit expense testing, these controls are not consistently being followed. Weak internal controls place the organization at a higher risk for loss.


Recommendations

We recommend the organization review its policies, procedures and internal controls and ensure they are followed to limit the risk of fraud and theft.

This communication is prepared solely for the information of management and is not intended for any other purpose. We accept no responsibility to a third party who uses this communication.

We trust you will implement our recommendations; however, should you require further clarification or information, please contact the undersigned.

Yours truly,

A handwritten signature in black ink, appearing to read "Bob Gore". The signature is fluid and cursive, with the first name "Bob" and the last name "Gore" clearly distinguishable.

Bob Gore, CPA,CA

ROBERT GORE & ASSOCIATES

Chartered Professional Accountants