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September 29, 2023

Mr. Daniel Quintas, Vice Chair/ Treasurer  
Bloor Annex Business Improvement Area  
Toronto, Ontario

Dear Mr. Burchell:

**MANAGEMENT LETTER  
YEAR ENDED DECEMBER 31, 2022**

The audit of the financial statements of the Bloor Annex Business Improvement Area (BIA) for the year ended December 31, 2022 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.

During the course of the audit I followed up with the implementation of recommendations made during 2021 and found most of the recommendations have been implemented. This letter provides my observation and recommendation regarding one of the items which is still outstanding.

**Cheque Signing Procedures**

Observation:

The City of Toronto Economic Development Division and the Toronto Association of Business Improvement Areas (TABIA) have issued a Toronto BIA Operating Handbook which specifically states that all cheques issued by a BIA should be signed by two independent authorized signing officers. It was noted that a number of cheques issued by the BIA had only the Manager's signature. Also the cheques paid to the Manager's Company for management fees and for reimbursement of expenses had only his signature although all reimbursement of expenses had appropriate supporting documents.

**Recommendation:**

**It is recommended that under no circumstances should officers be signing cheques issued to themselves. All cheques should be signed by two independent signing officers. It is a good business practice to have three cheque signing officers so that there are two independent officers always available in order to avoid conflicts.**

**Management Response:**

**Thank you observing that payments to all parties subject to the audit analysis have all the necessary back-up documentation.**

**It is part of the General Manager's duties to dispense the budget in a diligent and timely manner. It is a result of administrative convenience that BIA cheques are routinely signed by one entity. This is with the approval of the Chair and the bank from which the funds are drawn. There is more than one cheque signer.**

**We also understand that in the 2022 BIA's were prohibited by the City from physically meeting, due to COVID 19 risks, making obtaining other signatures unsafe, impractical, and in violation of the health restrictions imposed by the City on BIAs.**

**Further any cheques payable for management services are supported by one further requirement. A bi-weekly detailed time log is submitted to the Chair who must review and acknowledge the report.**

I will be available to discuss my observation and recommendation with the Board Members at a mutually convenient time.

Yours truly,

*Rafiq Dosani*

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