
Legal Aid Ontario Procedures with respect to the African Canadian Legal Clinic

April 25, 2017





April 25, 2017

Ms. Janet Budgell
Vice-President, Southwest Region
Legal Aid Ontario
40 Dundas Street West, Suite 200
Toronto ON
M5G 2H1

Dear Ms. Budgell:

We have completed our procedures with respect to the African Canadian Legal Clinic, pursuant to our contract dated January 27, 2017. Please find enclosed our report setting out our scope of work and findings.

If you have any questions, please do not hesitate to call Krista Mooney at (403) 509-7336 or Ivy Richmond at (416) 815-5293.

Yours truly,

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
PwC Tower, 18 York Street, Suite 2600, Toronto ON M5J 0B2
T: 416 863 1133, F: 416 365 8215, www.pwc.com/ca

PwC refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership, which is a member firm of PricewaterhouseCoopers International Limited, each member firm of which is a separate legal entity.

Contents

1. Introduction	1
2. Background.....	2
3. Executive Summary	3
4. Procedures Performed	8
5. Approach.....	10
6. Detailed Findings	12
Appendix A – Restrictions and Limitations.....	23
Appendix B – Summary of Inter-fund Journal Entries Selected for Testing.....	24

1. Introduction

PricewaterhouseCoopers LLP (“PwC” or “we”) was retained by you, Legal Aid Ontario (“LAO”) in accordance with our contract dated January 27, 2017 (the “Contract”).

LAO requested that we perform procedures to identify whether the African Canadian Legal Clinic (“ACLC”) engaged in inter-fund loans, borrowing or transfers of LAO funds during the period from April 1, 2015 to December 31, 2016 (“Period of Review”). Specifically, our mandate included the following scope items:

- 1) Determine and report on the basis for the \$39,338 prior year adjustment in ACLC’s 2015/16 audited financial statements;
- 2) Determine and report on whether there is evidence that legal aid funding provided to the clinic was transferred, loaned, borrowed, and/or otherwise moved from ACLC’s LAO funds to any other ACLC restricted and unrestricted funds (including the Operating Fund) in the 2015/16 fiscal year to present;
- 3) Determine if the inter-fund loan balances after March 31, 2016 have been reconciled; and
- 4) Determine if and why there were changes in the inter-fund loan balances between the LAO funds and any of the other ACLC restricted and unrestricted funds (including the Operating Fund) in ACLC’s quarterly reports, statements of profit or loss, and other financial documents in the 2016/17 fiscal year.

Based on discussions with you, we understand that changes in inter-fund balances arising from activities other than loaning, borrowing or transferring and moving of LAO funds is also of relevance to LAO. As such, our report includes procedures and findings relating to loaning, borrowing, transferring and moving of funds, as well as other changes in the inter-fund balances relating to the LAO General and LAO Legal Disbursements Funds.

The purpose of this report is to summarize our scope of work and detailed findings, and should be read in conjunction with our Restrictions and Limitations set out in **Appendix A**.

All amounts in this report are stated in Canadian dollars consistent with ACLC’s reporting currency.

All references to years throughout this report are in relation to ACLC’s fiscal year (April 1 – March 31) unless otherwise stated.

2. Background

LAO is a publicly funded non-profit corporation which administers the Province of Ontario's legal aid program, pursuant to the Legal Aid Services Act, 1988. ACLC is a non-profit organization which provides legal and social services on behalf of, or in relation to, African Canadians and receives a portion of its core funding from LAO. We understand that a Memorandum of Understanding was entered into between LAO and ACLC in May, 2004 to establish a framework for ongoing relations between the organizations, including setting out details of the funding arrangement and dispute resolution policy.

We understand that LAO provides ACLC with funding for clinic law services as well as legal disbursements. On an annual basis, LAO provides ACLC with a 'Schedule of Monthly Funding' for the following 12 month period, which details the approved usage of LAO funds on a monthly basis. ACLC then provides to LAO, on a quarterly basis, a report of interim results, including a balance sheet and statement of income and expenses. In addition to LAO, ACLC receives funding from other organizations on an annual and/or one-time basis for various initiatives, programs and projects.

ACLC applies the restricted fund method of accounting for the contributions received from LAO and other funding organizations. ACLC maintains separate books and records to track the financial information related to the funding received from LAO and the other funders as there are restrictions as to how the funds must be used. Each restricted funder is recorded as a separate column in ACLC's annual financial statements. As per the March 31, 2016 audited financial statements, the funding received from LAO was recorded within the LAO General and LAO Legal Disbursements Funds. The most recent set of financial statements, for the fiscal year ended March 31, 2016, were audited by Hennick Herman, LLP, with an unqualified opinion.

Effective April 1, 2017, all ACLC programs which are not funded by LAO will be operated through African Canadian Community Services ("ACCS"), a separate not-for-profit organization. ACLC advised that effective April 1, 2017, costs will no longer be shared among ACLC and ACCS.

3. Executive Summary

For each of the scope items summarized in 'Section 1: Introduction', our findings have been summarized below. For further details regarding our approach and detailed findings, refer to 'Section 5: Approach' and 'Section 6: Detailed Findings', respectively.

Scope Item #1 – Prior Year Adjustment to March 31, 2016 Financial Statements

The prior year adjustment of \$39,338 in the LAO General Fund of ACLC's March 31, 2016 audited financial statements (the "PYA") is comprised of three components, each of which represents a financial statement journal entry or reclassification. The third component of the PYA, in the amount of \$21,874, impacts the inter-fund receivable/payable balance in the LAO General Fund.

We note the following regarding the third component of the PYA:

- Represents the establishment of an inter-fund receivable owing from the African Canadian Youth Justice Program ("ACYJP") and Youth in Transit Worker ("YIT") Funds.
- Results in a corresponding increase in the Fund Balance of the LAO General Fund such that the Fund Balance as at March 31, 2016 is \$nil.
- ACLC advised that this adjustment was recorded in response to direction from LAO to eliminate the deficit in the LAO General Fund by March 31, 2016.
- We further understand from Hennick Herman, LLP that the previously existing deficit in the LAO General Fund was created as a result of inaccurate recording of prior years' shared expenses incurred by the LAO General Fund on behalf of other ACLC funds, as opposed to excess cash spending. ACLC advised that no supporting documentation exists to support the inaccuracies in prior year expense allocations. As per the minutes of the ACLC Board of Directors meeting on July 9, 2016, the financial statements for the period ending March 31, 2016 were approved.
- We further understand from ACLC and Hennick Herman, LLP that there is no intent to clear this inter-fund receivable with a cash payment from either the ACYJP or YIT Funds. The inter-fund receivable will be cleared by a financial statement journal entry as at March 31, 2017, either with the ACYJP and YIT Funds, if they have surplus to absorb this equity correction, or with another ACLC fund that has sufficient surplus.

Scope Item #2 – LAO Funds Transferred, Lent, Borrowed or Otherwise Moved during the Period of Review

Based on our procedures performed in relation to testing of a selection of inter-fund journal entries during the Period of Review, we noted instances of transferring or moving of LAO funds as well as other journal entries resulting in a 'Change in Inter-fund Balance' (as defined in 'Section 5: Approach'). ACLC advised that no supporting documentation exists with respect to three of the five 'Change in Inter-fund Balance' journal entries, totaling \$130,007.65 (96% of the absolute value of the 'Change in Inter-fund Balance' journal entries selected for testing) (See Note 2).

No indications of loaning or borrowing of LAO funds were noted.

Set out in Table 3.1 below is a summary, by category, of the absolute value of journal entries selected for testing during the Period of Review.

Table 3.1 – Summary of Inter-fund Journal Entries Selected for Testing During Period of Review

Category	Number of Inter-fund Journal Entries Selected for Testing			Absolute Value of Journal Entries Recorded in Inter-fund Receivable/Payable Accounts Selected for Testing (\$)			Notes
	LAO General Fund	LAO Legal Disbursements Fund	Total	LAO General Fund	LAO Legal Disbursements Fund	Total	
Transferring or Moving of Funds	15	1	16	80,677.16	10,000.00	90,677.16	1
Change to Inter-fund Balance	3	2	5	62,419.65	72,811.40	135,231.05	2, 3
Total – Period of Review	18	3	21	8143,096.81	882,811.40	8225,908.21	

Note 1: Instances of ‘Transferring or Moving of Funds’ identified include shared costs, repayments of inter-fund receivables/payables and a write-off of an interfund amount, described as follows (quantified in absolute value of journal entries across the Period of Review):

- ‘Shared Cost’ amounts represent journal entries establishing new inter-fund receivables or payables or increasing previously existing inter-fund receivable or payable amounts (LAO General Fund: \$35,509.91).
- ‘Repayment of Inter-fund Receivable/Payable’ amounts primarily represent entries to reduce previously existing inter-fund receivable or payable amounts (LAO General Fund: \$44,137.96, LAO Legal Disbursements Fund: \$10,000.00).
- ‘Write-off of Inter-fund Receivable/Payable’ amount represents a single journal entry to write-off an inter-fund payable owing by the LAO General Fund to the DOJ Fund, which per discussion with ACLC, is no longer active (LAO General Fund: \$1,029.29).

Note 2: The ‘Change to Inter-fund Balance’ amounts represent five journal entries:

- One journal entry represents the PYA, explained in Scope Item #1, and results in the establishment of an inter-fund receivable in the LAO General Fund of \$21,873.76.
- One journal entry represents the establishment of inter-fund receivable amounts in the LAO General Fund totaling \$35,545.89 for the purpose of reducing the LAO General Fund deficit to \$nil. The impact of which is similar to the PYA described in Scope Item #1.
- One journal entry, in the amount of \$72,588.00, represents the elimination of an inter-fund receivable owing from the Admin Fund to the LAO Legal Disbursements Fund. The details are as follows:
 - As per the March 31, 2013 year-end audited financial statements (‘Statement of Operations and Changes in Fund Balances), an entry in the amount of \$72,588.00 was recorded to clear the LAO Legal Disbursements Fund deficit to \$nil, via an ‘Interfund transfer’. Per discussions with ACLC, this year-end journal entry was proposed by Meyers Norris Penny, LLP (‘MNP’), and recorded by ACLC. This resulted in the establishment of an inter-fund receivable owing from the Admin Fund to the LAO Legal Disbursements Fund. See **Note 3** below for details of discussion conducted with MNP with respect to the fiscal 2013 year-end journal entry.
 - Per our initial discussion with ACLC, this 2017 journal entry was recorded to eliminate the inter-fund receivable created in 2013 as it was believed to be an erroneous entry proposed by MNP due to the fact that it was not expected to be repaid in cash and therefore is not a collectible amount.
 - Through subsequent discussions with ACLC, it is now understood that this journal entry was not an error but that there was no intention to cause funds to be paid to clear the inter-fund receivable established in 2013. This entry resulted in the reversal of the ‘Interfund transfer’ recorded in 2013 and a change in the inter-fund balance from a receivable position to a payable position.

- This 2017 journal entry for \$72,588.00 was recorded in consultation with the Treasurer of the Board of Directors in approximately October/November 2016 and will be subject to review/approval by the Finance Committee and/or Board of Directors at year-end.
- Two journal entries represent changes to inter-fund balances for stale-dated cheques not cleared by the other ACLC funds, totaling \$5,000.00 with respect to the LAO General Fund and \$223.40 with respect to the LAO Legal Disbursements Fund.

Note 3: We note the following with respect to the fiscal 2013 year-end journal entry of \$72,588.00 through discussion with MNP:

- The 2013 year-end journal entry was recorded in order to bring the deficit in the LAO Legal Disbursements Fund to \$nil, and resulted in the establishment of an inter-fund receivable owing from the Admin Fund to the LAO Legal Disbursements Fund. The deficit in the LAO Legal Disbursements Fund was the result of legal disbursement expenditures in excess of the legal disbursement funding provided by LAO.
- LAO informed ACLC (upon their request) that no additional funding would be provided to cover these excess expenditures. The Board of ACLC subsequently decided that these excess expenditures would be funded by the Admin Fund's unrestricted funds. The amount of the journal entry was determined by MNP.
- MNP believed that the inter-fund receivable established at the fiscal 2013 year-end was a valid receivable as there was an expectation for the LAO Legal Disbursements Fund to receive payment from the Admin Fund in the future.
- The support obtained by MNP for this 2013 year-end journal entry consisted of the cumulative audit work performed over the funding received and expenditures incurred in the LAO Legal Disbursements Fund as well as the Board approval witnessed by MNP in person at the 2013 year-end Board meeting. As per the minutes of the ACLC Board of Directors meeting on September 12, 2013, the March 31, 2013 financial statements presented by MNP were approved.

We also note the following additional items with respect to the journal entry testing procedures:

- We requested the general ledger journal entry detail for the LAO General and LAO Legal Disbursements Funds for the period from April 1, 2015 to July 31, 2015. This information was not provided by ACLC as they indicated that the time period for this request overlaps with a set of procedures previously conducted by LAO's internal audit unit. In addition, ACLC advised that it was the Clinic Committee of the LAO Board of Directors' direction, provided within the 'Interim Decision' dated January 19, 2017, that the procedures would cover a period commencing subsequent to July 31, 2015. As such, we were unable to perform the following:
 - Validate that inter-fund journal entries selected for testing from the LAO General and LAO Legal Disbursements Funds, between April 1, 2015 and July 31, 2015, had a corresponding journal entry in the corresponding ACLC fund (consistency check); and
 - Perform procedures to assess inter-fund activity, if any, recorded through trade accounts receivable or trade accounts payable accounts for the LAO General or LAO Legal Disbursements Funds between April 1, 2015 and July 31, 2015.
- The journal entries selected for testing in the fiscal 2016/17 year to date have not yet been captured by the audit procedures of Hennick Herman, LLP.

Scope Item #3 – Reconciliation of Inter-fund Balances after March 31, 2016

We note the following with respect to the reconciliation of the inter-fund balances across all ACLC funds:

- Per discussions with ACLC, the inter-fund receivable/payable balances across all ACLC funds have been reconciled on a monthly basis since April 30, 2016.
- The most recent inter-fund receivable/payable reconciliation performed as of the date of our testing, was December 31, 2016. The net unreconciled amount as at December 31, 2016 was \$124.37 (0.05% of the absolute value of inter-fund receivable/payable balances as at December 31, 2016).
- No significant findings were noted with respect to our procedures performed to reconcile the LAO General and LAO Legal Disbursements Funds inter-fund receivable/payable trial balance accounts to the other corresponding ACLC funds as at March 31, 2016 and December 31, 2016.

Scope Item #4 – Changes in Inter-fund Balances During Fiscal 2016/17 Year-End (2016)

To understand the changes in the inter-fund balances for the LAO General and LAO Legal Disbursements Funds between April 1, 2016 and December 31, 2016, a sample of journal entries was selected for testing, in accordance with Scope Item #2 above.

Additional inquiries were performed to obtain an understanding of any further movements which may occur within these inter-fund receivable/payable balances between December 31, 2016 and March 31, 2017, ACLC's 2016/17 year-end. These inquiries were performed to assess the likelihood that ACLC will receive payment for, repay or write-off the inter-fund balances.

The following summarizes the results of our procedures in relation to the inter-fund receivable/payable balances as at December 31, 2016:

- We categorized the inter-fund balances which existed as at December 31, 2016 as those relating to active programs and inactive programs, based on discussions with ACLC.
- Inter-fund Balance Relating to Active Programs: ACLC advised that the balances related to active programs represent accumulated shared cost amounts and will be settled through either the receipt of cash (in the case of inter-fund receivables) owing to the LAO General and LAO Legal Disbursements Funds from other ACLC funds or the payment of cash (in the case of inter-fund payables) owing from the LAO General and LAO Legal Disbursements Funds to other ACLC funds. The intent is to settle all receivables related to active programs prior to finalizing the March 31, 2017 financial statements. If there is not an ability to settle these balances prior to this time, the remaining balances will either be presented as inter-company balances owing to or from African Canadian Community Services ("ACCS"), and settled in future fiscal years, or written off. ACLC also advised that effective April 1, 2017, costs will no longer be shared among ACLC and ACCS.
- Inter-fund Balance Relating to Inactive Programs: ACLC advised that these inter-fund balances relate to other ACLC programs which are no longer active as these ACLC programs are no longer receiving funding. ACLC further advised that the receivable/payable balances arose from "historical journal entries" (i.e. journal entries recorded prior to the fiscal 2016/17 year), including those with and without a cash element. We were advised by ACLC that they, along with Hennick Herman, LLP and the Board of Directors, will assess how to clear these inter-fund balances at year-end. ACLC advised that these balances will likely be written-off over one or more years through financial statement year-end adjustments and not transfers of cash. If these balances cannot be cleared prior to finalizing the March 31, 2017 financial statements, the remaining balances will either be presented as inter-company balances owing to or from ACCS, and cleared in future fiscal years, or written off.

Set out in Table 3.2 is a summary of those inter-fund balances relating to active and inactive programs, as per discussion with ACLC, as at March 31, 2016 and December 31, 2016.

Table 3.2 - LAO General and LAO Legal Disbursements Funds Inter-fund Balances and Corresponding Inter-fund Amounts, by Trial Balance Account – Active vs. Inactive Programs

Ref #	Trial Balance Account	Balance at March 31, 2016 (\$)	Balance at December 31, 2016 (\$)	Change (\$)
LAO General Fund				
1	Active Programs with Inter-fund Receivable (Notes 4, 5)	69,791.52	67,474.82	(2,316.70)
2	Active Programs with Inter-fund Payable (Note 6)	(10,312.36)	(25,294.73)	(14,982.37)
3	Inactive Programs with Inter-fund Receivable (Notes 7)	41,992.13	41,992.13	0.00
4	Inactive Programs with Inter-fund Payable (Note 8)	(90,561.65)	(90,561.65)	0.00
LAO General Fund - Net Inter-fund Receivable (Payable)		\$10,909.64	(\$6,389.43)	(\$17,299.07)
LAO Legal Disbursements Fund				
5	Active Programs with Inter-fund Receivable (Note 9)	11,124.40	11,124.40	0.00
6	Active Programs with Inter-fund Payable (Note 10)	36,319.54	(32,040.67)	(68,360.21)
7	Inactive Programs with Inter-fund Payable (Note 11)	(8,551.52)	(8,551.52)	0.00
LAO Legal Disbursements Fund - Net Inter-fund Receivable (Payable) (Note 12)		\$38,892.42	(\$29,467.79)	(\$68,360.21)

Note 4: This balance contains the \$21,873.76 PYA amount described in 'Scope Item #1'.

Note 5: Gross inter-fund receivables of \$69,791.52 as at March 31, 2016 and \$67,474.82 as at December 31, 2016 are owing to the LAO General Fund from other ACLC funds which are assessed by ACLC as operating active programs.

Note 6: Gross inter-fund payables of \$10,312.36 as at March 31, 2016 and \$25,294.73 as at December 31, 2016 are owed by the LAO General Fund to other ACLC funds which are assessed by ACLC as operating active programs.

Note 7: Gross inter-fund receivables of \$41,992.13 as at March 31, 2016 and December 31, 2016 are owing to the LAO General Fund from other ACLC funds which are assessed by ACLC as no longer operating active programs.

Note 8: Gross inter-fund payables of \$90,561.65 as at March 31, 2016 and December 31, 2016 are owed by the LAO General Fund to other ACLC funds which are assessed by ACLC as no longer operating active programs.

Note 9: Gross inter-fund receivables of \$11,124.40 as at March 31, 2016 and December 31, 2016 are owing to the LAO Legal Disbursements Fund from other ACLC funds which are assessed by ACLC as operating active programs.

Note 10: Gross inter-fund receivables of \$36,319.54 as at March 31, 2016 are owing to the LAO Legal Disbursements Fund from other ACLC funds which are assessed by ACLC as operating active programs. Gross inter-fund payables of \$32,040.67 as at December 31, 2016 are owed by the LAO Legal Disbursements Fund to other ACLC funds which are assessed by ACLC as operating active programs.

Note 11: Gross inter-fund payables of \$8,551.52 as at March 31, 2016 and December 31, 2016 are owed by the LAO Legal Disbursements Fund to other ACLC funds which are assessed by ACLC as no longer operating active programs.

Note 12: This detail shows that the overall change in the LAO Legal Disbursements Fund is primarily the result of a 'Change to Interfund Balance' journal entry in the amount of \$72,588.00 which moved the inter-fund balance with the Admin Fund from a receivable to a payable position. This transaction is described in further detail within 'Scope Item #2' above.

4. Procedures Performed

We performed the following procedures:

- Conducted information-seeking discussions with the following individuals:
 - Ms. Janet Budgell, Vice-President, Southwest Region and Specialty Clinics, LAO;
 - Ms. Margo Ayers, Regional Business Manager, Southwest Region and Specialty Clinics, LAO;
 - Ms. Moya Teklu, Staff Lawyer, Southwest Region and Specialty Clinics, LAO;
 - Ms. Aileen Page, Counsel for General Counsel's Office, LAO;
 - ██████████ Grant Thornton LLP;
 - Mr. Wayne Brown, Financial Analyst, LAO;
 - Ms. Margaret Parsons, Executive Director, ACLC;
 - ██████████ Office Manager and Bookkeeper, ACLC;
 - Mr. Vivian Manswell, Treasurer of the Board of Directors, ACLC;
 - ██████████ Hennick Herman LLP; and
 - ██████████ MNP.
- Obtained and analyzed the following documents received from LAO:
 - ACLC audited financial statements for the fiscal years ended March 31, 2013 through March 31, 2016;
 - ACLC annual funding letters issued by LAO, including monthly funding schedules, for the fiscal years ended March 31, 2014 through to March 31, 2017;
 - Quarterly reports, including balance sheet information as at fiscal years ended March 31, 2014, March 31, 2015 and March 31, 2016 and income statement information on a quarterly basis for each respective year;
 - Quarterly reports, including balance sheet information as at fiscal 2017 quarters ending June 30, 2016, September 30, 2016 and December 31, 2016 and income statement information for each respective quarter-end period;
 - Trial balances and year-end adjusting journal entry listings, for both the LAO General and LAO Legal Disbursements Funds, as at March 31, 2014, March 31, 2015 and March 31, 2016;
 - 'Interim Decision', dated January 19, 2017, issued by the Clinic Committee of the Board of Directors, Legal Aid Ontario;
 - 'African Canadian Legal Clinic Submissions to the LAO Clinic Committee', dated December 1, 2016;
 - 'Failure of the ACLC's Board and Management to Comply with Clinic Committee's Conditions', dated December 1, 2016;
 - 'Reply of the African Canadian Legal Clinic to the LAO Clinic Committee', dated December 12, 2016;
 - 'Reply to ACLC Submissions to the LAO Clinic Committee', dated December 12, 2016; and
 - Letter, dated April 7, 2017, from ACLC to LAO regarding 'Organizational Restructuring'.

- Obtained and analyzed the following documents received from ACLC:
 - ‘Minutes of the Board of Directors’ of ACLC, dated July 9, 2016;
 - ‘Minutes of the Board of Directors’ of ACLC, dated September 12, 2013;
 - Inter-fund receivable/payable detailed listing for both the LAO General and LAO Legal Disbursements Funds, as at March 31, 2016 and December 31, 2016;
 - ‘General Ledger’ transaction detail listing for all inter-fund trial balance accounts, for both the LAO General and LAO Legal Disbursements Funds, from April 1, 2016 to December 31, 2016;
 - ‘Transaction by Account’ detail listings for inter-fund receivable payable trial balance accounts making up the Inter-fund receivable/payable balance per the audited financial statements as at March 31, 2016, covering the period from the last fiscal year with transactional activity in the account to December 31, 2016;
 - ‘Interfund Accounts Reconciliation’, incorporating the inter-fund receivable/payable balances for all ACLC funds as at December 31, 2016; and
 - Trial balance reports, as at December 31, 2016 and general ledger transaction detail listings for all accounts, covering the period from August 1, 2015 to December 31, 2016, for all ACLC funds, including:
 - LAO funds, including:
 - LAO General Fund; and
 - LAO Legal Disbursements Fund.
 - Ministry of Children and Youth Services (“MCYS”) funds, including:
 - Cultural Competency Fund;
 - ACYJP Fund;
 - YIT Fund; and
 - Youth Outreach Worker (“YOW”) Fund.
 - Ministry of Attorney General (“MAG”) Fund;
 - Youth Challenge Fund (“YCF”) Fund;
 - Department of Justice (“DOJ”) Fund;
 - Ministry of Community Safety and Correctional Services (“MCSCS”) Fund;
 - Ministry of Economic Development Employment and Infrastructure (“MEDEI”) Fund;
 - Ontario Trillium Foundation Fund; and
 - Administration Fund (referred to as the ‘Operating Fund’ per the audited financial statements) (“Admin”).
- Validated a selection of journal entries, as outlined in **Appendix B**, which were selected for testing on a judgemental basis, and for which supporting documentation was obtained, as described in ‘Section 5: Approach’;
- Performed a comparison of the inter-fund receivable/payable balances per the LAO General and LAO Legal Disbursements Funds, as at March 31, 2016 and December 31, 2016, to determine whether a corresponding payable/receivable was recorded in the corresponding fund’s records; and
- Examined the general ledger transaction detail reports for the LAO General and LAO Legal Disbursements Funds covering the period from August 1, 2015 to December 31, 2016 to identify indications of inter-fund movement outside of the inter-fund receivable/payable trial balance accounts.

5. Approach

Set out below is our approach with respect to the four scope items set out in 'Section 1: Introduction'. Our detailed findings from applying this approach are set out in 'Section 6: Detailed Findings'.

Scope Item #1 – Prior Year Adjustment in March 31, 2016 Financial Statements

The ACLC audited financial statements for the fiscal year ended March 31, 2016 contain a line item entitled 'Prior year adjustment' (the "PYA") in the LAO General Fund in the amount of \$39,338. This adjustment increased the fund deficit to \$nil.

In order to obtain an understanding of the PYA, information-seeking discussions were conducted with individuals from ACLC. Minutes of Finance Committee and/or Board of Directors meeting minutes were requested to identify evidence of discussions held and/or approvals provided with respect to the PYA. Finally, the explanations and documentation provided by ACLC were supplemented by discussions with Hennick Herman, LLP, the auditors of ACLC's March 31, 2016 year-end financial statements.

Scope Item #2 – LAO Funds Transferred, Loaned, Borrowed or Otherwise Moved during the Period of Review

In order to determine whether LAO funds were transferred, loaned, borrowed or otherwise moved during the Period of Review, or whether there were any other changes to inter-fund balances, the general ledger transaction detail for the LAO General and LAO Legal Disbursements Funds' inter-fund receivable/payable accounts were obtained. A sample of journal entries were selected on a judgemental basis and supporting documentation for the journal entries was obtained, where available. In making this determination, we applied using the following methodology:

- **Transferring or Moving of Funds** – A journal entry was considered to be indicative of transferring or moving of funds in the following instances:
 - **Shared Cost** – setting up of a shared cost which was supported by documentation. Such shared costs are allocated across one or more ACLC funds and may include, but are not limited to, insurance, security, bookkeeping, photocopying, travel, and telecommunications. The journal entries to set up the recording of a shared cost do not involve the movement of cash, however, an expectation exists that these shared costs will be repaid in the future to the fund which incurred the shared cost.
 - **Repayment of Inter-fund Receivable/Payable** - the cash repayment of a previously established inter-fund receivable/payable amount. These journal entries do involve the movement of cash.
 - **Write-Off of Inter-fund Receivable/Payable** - the write-off of a previously established inter-fund receivable/payable amount. The journal entry to write-off an inter-fund balance does not involve movement of cash, however, the initial inter-fund balance being written off may have been established from a movement of cash or a previously recorded shared cost that, at the time, was expected to be repaid.
- **Loaning** – A journal entry was considered to be indicative of a loan arrangement involving LAO funds if an inter-fund receivable was created, and the journal entry did not appear to represent a receivable for a supported shared cost or repayment of a previously recognized inter-fund payable (the latter two of which would be categorized as 'Transferring or Moving of Funds').
- **Borrowing** – A journal entry was considered to be indicative of a borrowing arrangement involving LAO funds if an inter-fund payable was created, and the journal entry did not appear to represent a payable for a supported shared cost or collection of a previously recognized inter-fund receivable (the latter two of which would be categorized as 'Transferring or Moving of Funds').

- **Change to Inter-fund Balance** – This category includes all other journal entries which do not fall within the ‘Transferring or Moving of Funds’, ‘Loaning’ or ‘Borrowing’ categories noted above, but which result in a change in the inter-fund receivable/payable balance. These journal entries do not have a cash receipt or disbursement element.

In addition to obtaining supporting documentation for the selection of inter-fund receivable/payable journal entries recorded in the LAO General and LAO Legal Disbursements Funds, a consistency check was performed. The inter-fund receivable/payable journal entries selected from the LAO General and LAO Legal Disbursements Funds were reviewed for purposes of determining if the corresponding journal entries were recorded in the other ACLC fund involved in the inter-fund activity.

Finally, the general ledger journal entries of both the LAO General and LAO Disbursements Funds, for the period from August 1, 2015 to December 31, 2016, were examined in order to identify any indications of inter-fund activity processed through trade accounts receivable or trade accounts payable accounts (rather than the inter-fund receivable/payable accounts). In assessing whether the journal entries represented possible loaning, borrowing, transferring or moving of LAO Funds, we focused on the nature of the journal entry as well as the memo descriptions associated with each journal entry.

Scope Item #3 – Reconciliation of Inter-fund Balances after March 31, 2016

The inter-fund receivable/payable balances, across all ACLC funds, were reconciled to a net balance of \$nil as at March 31, 2016, as per the audited financial statements. In order to determine whether the inter-fund receivable/payable balances continued to be reconciled after March 31, 2016, information-seeking discussions were conducted with individuals from ACLC to understand the process for performing these reconciliations. In addition, a copy of the most recent reconciliation of the inter-fund receivable/payable balances (December 31, 2016) was obtained and reviewed.

In addition to examining the inter-fund receivable/payable reconciliation across all ACLC funds, a consistency check was performed in relation to the LAO General and LAO Legal Disbursements Funds in particular. The components of the inter-fund receivable/payable balances in the LAO General and LAO Legal Disbursements Funds were matched to the corresponding payable/receivable balance components in the corresponding ACLC fund as at March 31, 2016 and December 31, 2016. The components of the inter-fund receivable/payable balances represent individual trial balance accounts which sum to the net inter-fund receivable/payable balances which are reported in the audited financial statements at March 31.

Scope Item #4 – Changes in Inter-fund Balances During Fiscal 2016/17 Year to Date

The net inter-fund receivable/payable balances, as at March 31, 2016, for the LAO General and LAO Legal Disbursements Funds were in a receivable position of \$10,910 and \$38,892, respectively. The net inter-fund receivable/payable balances, as at December 31, 2016, for the LAO General and LAO Legal Disbursements Funds were in a payable position of \$6,389 and \$29,468, respectively.

In order to understand the reason for these changes in the inter-fund receivable/payable balances, the general ledger transaction detail for the inter-fund receivable/payable accounts for the period from April 1, 2016 to December 31, 2016 was obtained. A sample of journal entries was selected for testing on a judgemental basis and supporting documentation was examined in accordance with the approach in Scope Item #2 above.

In addition, an understanding was obtained from ACLC regarding the status of the corresponding ACLC programs to which the inter-fund receivable/payable components relate as at December 31, 2016, and the likelihood of these amounts being repaid during the 2016/17 fiscal year.

6. Detailed Findings

Scope Item #1 – Prior Year Adjustment to March 31, 2016 Financial Statements

As previously noted, the ACLC audited financial statements for the year ended March 31, 2016 contain a PYA in the LAO General Fund in the amount of \$39,338. This adjustment reduced the fund deficit to \$nil as at March 31, 2016.

Set out in Table 6.1 below are the components of the PYA. The first two component represent financial statement journal entries or reclassifications which do not impact the inter-fund balances. The third component represents a 'Change to Inter-fund Balance', as defined in 'Section 5: Approach'.

Table 6.1 – Components of the PYA in the March 31, 2016 ACLC Audited Financial Statements

Component #	PYA Component	Credit Entry Amount \$	Notes
1	Reversal of Vacation Accrual	25,214	1
2	Reclassification of Fund Balance relating to Capital Assets to the Capital Assets Fund	(7,750)	2
3	Financial Statement Adjustment to Reduce Fund Deficit to \$nil	21,874	3
		\$39,338	

Note 1: Reversal of Vacation Accrual - \$25,214

The first component of the PYA (Debit: Accrued Liabilities, Credit: Fund Balance) represents the reversal of an accrued liability for vacation amounts outstanding to various ACLC staff that was set up in prior years. Per discussions with ACLC and Hennick Herman, LLP, during the fiscal 2015/16 year, it was determined that these vacation amounts, relating to prior years, were no longer owing, as the time period for usage had expired.

This adjustment does not impact the inter-fund balances and therefore, no further work was performed.

Note 2: Reclassification of Fund Balance relating to Capital Assets to the Capital Assets Fund – (\$7,750)

The second component of the PYA (Debit: Fund Balance, Credit: Capital Assets Fund Balance) reclassifies that portion of the LAO General Fund's Fund Balance which relates to capital assets and presents it within a separate Capital Assets Fund balance on the Statement of Financial Position. The amount approximates the closing net book value of capital assets per the March 31, 2015 audited financial statements.

This re-classification entry does not impact the inter-fund balances, and therefore, no further work was performed. This understanding is consistent with our discussions with ACLC and Hennick Herman, LLP.

Note 3: Financial Statement Adjustment to Reduce Fund Deficit to \$nil - \$21,874

The third component of the PYA (Debit: Inter-fund Receivables owing from the ACYJP and YIT Funds, Credit: Fund Balance) represents a 'Change in Inter-fund Balance' in the LAO General Fund by establishing a receivable owing from both the ACYJP and YIT Funds. ACLC and Hennick Herman, LLP advised the following with respect to this adjustment:

Continuation of Note 3

Per discussion with ACLC, this third component of the PYA represents an adjusting entry to bring the LAO General Fund's Fund Balance to \$nil. It is ACLC's understanding that LAO provided instructions to eliminate the deficit in the LAO General Fund by March 31, 2016. This adjustment was recorded to achieve that purpose.

Per discussion with Hennick Herman, LLP, the decision to record the adjustment was made jointly by Hennick Herman, LLP and ACLC in order to eliminate the fund deficit in the LAO General Fund. Specifically, they advised that the deficit in the LAO General Fund as at March 31, 2015 was the result of inaccurate recording of past shared expenses incurred on behalf of other ACLC funds. ACLC advised that no supporting documentation exists to support the inaccuracies in prior year expense allocations. As per the minutes of the ACLC Board of Directors meeting on July 9, 2016, the financial statements for the period ending March 31, 2016 were approved.

Financial Statement Treatment and Note Disclosure regarding the PYA

Per discussion with [REDACTED], the concept of materiality was considered when auditing the PYA and when contemplating the need for a financial statement note relating to the PYA. Similarly, she advised that the concept of materiality was taken into consideration when assessing the appropriateness of restating prior year ACLC financial statements in relation to the PYA amount (as opposed to recording the prior year adjustment in the March 31, 2016 year-end financial statements). [REDACTED] advised that on a consolidated basis, across all ACLC Funds, there was no net inter-fund receivable/payable established, as corresponding journal entries were recorded in the ACYJP and YIT Funds.

Impact of Elimination of the Inter-Fund Receivables

Based on discussions with both ACLC and Hennick Herman, LLP, these inter-fund receivables in the LAO General Fund established as a result of this journal entry will not be cleared with a cash payment from the ACYJP or YIT Funds. These inter-fund receivables were journal entries recorded for the purpose of eliminating the fund deficit at March 31, 2016 in the LAO General Fund.

Treatment of Inter-Fund Receivables at March 31, 2016 Year-End

Based on discussions with Hennick Herman, LLP, the inter-fund receivable balances established by this journal entry will be cleared as at March 31, 2017 with a financial statement journal entry with the ACYJP and YIT Funds if these fund balances have sufficient surplus to absorb this equity correction. Otherwise, the LAO General Fund inter-fund receivables will be cleared with a financial statement journal entry with another ACLC fund which has sufficient surplus as at March 31, 2017. It is [REDACTED] understanding that the LAO General and LAO Legal Disbursements Funds have similar funding restrictions to the ACYJP and YIT Funds such that these equity corrections are appropriate.

Involvement of the ACLC Finance Committee and Board of Directors

Per discussion with ACLC, all members of the Finance Committee agreed to the scheduling of a meeting on July 6, 2016 with Hennick Herman, LLP to discuss the March 31, 2016 financial statements, including the year-end adjusting entries. However, for religious observance purposes, the two external members of the Finance Committee were not able to attend. This meeting was therefore not treated as a formal meeting of the Finance Committee as the external members were not present. As a result, no documentation related to this meeting exists.

Based upon review of the minutes of the Board of Directors of ACLC, the Board approved the March 31, 2016 financial statements during the July 9, 2016 meeting.

Scope Item #2 – LAO Funds Transferred, Loaned, Borrowed or Otherwise Moved during the Period of Review

Based on our procedures performed in relation to the inter-fund journal entries selected for testing, we noted indications of transferring or moving of LAO funds, as well as other changes to the inter-fund balances. ACLC advised that no supporting documentation exists with respect to three of the five 'Change in Inter-fund Balance' journal entries, totaling \$130,007.65 (96% of the absolute value of 'Change in Inter-fund Balance' journal entries selected for testing).

We noted no indications of loaning or borrowing of LAO funds during the Period of Review.

The journal entries selected for testing have been categorized based on the nature of the activity, as defined in 'Section 5: Approach', as follows:

- 1) Transferring or Moving of Funds: Shared Cost
- 2) Transferring or Moving of Funds: Repayment of Inter-fund Receivable/Payable
- 3) Transferring or Moving of Funds: Write-off of Inter-fund Receivable/Payable
- 4) Change to Inter-fund Balance

Set out in Tables 6.2, 6.3 and 6.4 below is a summary, by category, of the number and absolute value of journal entries selected for testing which were recorded in the LAO General and LAO Legal Disbursements Funds' inter-fund general ledger accounts during the fiscal 2015/16 year, the fiscal 2016/17 year to date and the total across the Period of Review. A detailed listing of the journal entries selected for testing and comprising the amounts noted in Tables 6.2 and 6.3 is set out in **Appendix B**, which also sets out the results of our general ledger consistency procedures.

No significant findings are noted with respect to the existence of matching inter-fund journal entries in the other ACLC funds.

Table 6.2 – Summary of Inter-fund Journal Entries Selected for Testing During Fiscal 2015/16

Ref #	Category	Number of Inter-fund Journal Entries Selected for Testing			Absolute Value of Journal Entries Recorded in Inter-fund Receivable/Payable Accounts Selected for Testing		
		LAO General Fund	LAO Legal Disbursements Fund	Total	LAO General Fund	LAO Legal Disbursements Fund	Total
1	Transferring or Moving of Funds: Shared Cost	3	0	3	8,073.06 (Note 4)	0.00	8,073.06
2	Transferring or Moving of Funds: Repayment of Inter-fund Receivable/Payable	4	1	5	34,500.00 (Note 5)	10,000.00 (Note 6)	44,500.00
3	Transferring or Moving of Funds: Write-off of Inter-fund Receivable/Payable	1	0	1	1,029.29 (Note 7)	0.00	1,029.29
Sub-total – Transferring or Moving of Funds		8	1	9	\$43,602.35	\$10,000.00	\$53,602.35
4	Change to Inter-fund Balance	3	1	4	62,419.65 (Note 8)	223.40 (Note 9)	62,643.05
Total - Fiscal 2015/16		11	2	13	\$106,022.00	\$10,223.40	\$116,245.40

Note 4: Shared Cost - These three journal entries, totaling \$8,073.06, represent credit entries to set up new inter-fund payable amounts.

Note 5: Repayment of Inter-fund Receivable/Payable - Of these four journal entries, totaling \$34,500.00, two represent debit entries to reduce previously existing inter-fund payable amounts (\$20,000.00), one represents a debit entry in which an inter-fund receivable was set up in error (\$7,000.00), and one

represents a credit entry with a combined purpose of correcting the inter-fund receivable set up in error and repaying a previously existing inter-fund payable (\$7,500).

Note 6: Repayment of Inter-fund Receivable/Payable - This journal entry, in the amount of \$10,000.00, is a debit entry to reduce a previously existing inter-fund payable owing to the Admin Fund. At the time of this entry, however, the inter-fund account was in a receivable position (i.e. amounts owing from the Admin Fund to the LAO Legal Disbursements Fund) as a result of a 2013 fiscal year-end adjusting entry proposed by MNP, and recorded by ACLC, to eliminate the deficit in the LAO Legal Disbursements Fund to \$nil (See further details in Note 12 below). Since this year-end entry does not represent an amount expected to be repaid in cash, this \$10,000.00 debit entry has been categorized as a repayment of the inter-fund payable balance which would have existed in the absence of the 2013 year-end adjusting entry.

Note 7: Write-off of Inter-fund Receivable/Payable - This journal entry, in the amount of \$1,029.29, represents a write-off of an inter-fund payable owing by the LAO General Fund to the DOJ Fund. The inter-fund payable arose prior to March 31, 2014 and, based on discussions with ACLC, the DOJ Fund is no longer active. Therefore, there is no intent to require the LAO General Fund to repay this amount. The inter-fund payable balance was written off in the LAO General Fund through a reduction of current year expenses.

Note 8: Change to Inter-fund Balance - Of these three journal entries, totaling \$62,419.65, one represents debit entries which establish inter-fund receivable balances with the purpose of reducing the LAO General Fund deficit to \$nil (\$35,545.89), the impact of which is similar to the PYA described in Scope Item #1. One represents a credit entry to establish an inter-fund payable relating to stale-dated cheques which were not cashed by the other ACLC fund (\$5,000.00). Finally, as noted in Appendix B, the last 'Change to inter-fund Balance' entry represents the PYA, which is discussed in Scope Item #1. This entry, in the amount of \$21,873.76, is a debit entry to establish two inter-fund receivables.

Note 9: Change to Inter-fund Balance - This journal entry, in the amount of \$223.40 represents one debit entry to increase an inter-fund receivable relating to stale-dated cheques which were not cashed by the other ACLC fund.

Table 6.3 – Summary of Inter-fund Journal Entries Selected for Testing During Fiscal 2016/17 Year to Date

Ref #	Category	Number of Inter-fund Journal Entries Selected for Testing			Absolute Value of Journal Entries Recorded in Inter-fund Receivable/Payable Accounts Selected for Testing		
		LAO General Fund	LAO Legal Disbursements Fund	Total	LAO General Fund	LAO Legal Disbursements Fund	Total
1	Transferring or Moving of Funds: Shared Cost	2	0	2	27,436.85 (Note 10)	0.00	27,436.85
2	Transferring or Moving of Funds: Repayment of Inter-fund Receivable/Payable	5	0	5	9,637.96 (Note 11)	0.00	9,637.96
3	Transferring or Moving of Funds: Write-off of Inter-fund Receivable/Payable	0	0	0	0.00	0.00	0.00
Sub-Total – Transferring or Moving of Funds		7	0	7	\$37,074.81	\$0.00	\$37,074.81
4	Change to Inter-fund Balance	0	1	1	0.00	72,588.00 (Notes 12, 13)	72,588.00
Total – Fiscal 2016/17 Year to Date		7	1	8	\$37,074.81	\$72,588.00	\$109,662.81

Note 10: Shared Cost - Of these two journal entries, totaling \$27,436.85, one represents a debit entry to increase a previously existing inter-fund receivable (\$325.85), and one represents a credit entry to establish a new inter-fund payable balance (\$27,111.00).

Note 11: Repayment of Inter-fund Receivable/Payable - Of these five journal entries, totaling \$9,637.96, three journal entries are debit entries to reduce previously existing inter-fund payable balances (\$6,476.85), and two are credit entries to reduce previously existing inter-fund receivable amounts (\$3,161.11).

Note 12: Change to Inter-fund Balance - This amount of \$72,588.00 represents the elimination of an inter-fund receivable owing from the Admin Fund to the LAO Legal Disbursements Fund. The details are as follows:

- As per the March 31, 2013 year-end audited financial statements ('Statement of Operations and Changes in Fund Balance), an entry in the amount of \$72,588.00 was recorded to clear the LAO Legal Disbursements Fund deficit to \$nil, via an 'Interfund transfer'. Per discussions with ACLC, this year-end journal entry was proposed by MNP, and recorded by ACLC. This resulted in the establishment of an inter-fund receivable owing from the Admin Fund to the LAO Legal Disbursements Fund. See **Note 13** below for details of discussion conducted with MNP with respect to the fiscal 2013 year-end journal entry.
- Per our initial discussion with ACLC, this 2017 journal entry was recorded to eliminate the inter-fund receivable created in 2013 as it was believed to be an erroneous entry proposed by MNP due to the fact that it was not expected to be repaid in cash and therefore is not a collectible amount.
- Through subsequent discussions with ACLC, it is now understood that this journal entry was not an error but that there was no intention to cause funds to be paid to clear the inter-fund receivable established in 2013. This entry resulted in the reversal of the 'Interfund transfer' recorded in 2013 and a change in the inter-fund balance from a receivable position to a payable position.
- This 2017 journal entry for \$72,588.00 was recorded in consultation with the Treasurer of the Board of Directors and will be subject to review/approval by the Finance Committee and/or Board of Directors at year-end.

Note 13: Change to Inter-fund Balance - We note the following with respect to the fiscal 2013 year-end journal entry of \$72,588.00 through discussion with MNP:

- The 2013 year-end journal entry was recorded in order to bring the deficit in the LAO Legal Disbursements Fund to \$nil, and resulted in the establishment of an inter-fund receivable owing from the Admin Fund to the LAO Legal Disbursements Fund. The deficit in the LAO Legal Disbursements Fund was the result of legal disbursement expenditures in excess of the legal disbursement funding provided by LAO.
- LAO informed ACLC (upon their request) that no additional funding would be provided to cover these excess expenditures. The Board of ACLC subsequently decided that these excess expenditures would be funded by the Admin Fund's unrestricted funds. The amount of the journal entry was determined by MNP.
- MNP believed that the inter-fund receivable established at the fiscal 2013 year-end was a valid receivable as there was an expectation for the LAO Legal Disbursements Fund to receive payment from the Admin Fund in the future.
- The support obtained by MNP for this 2013 year-end journal entry consisted of the cumulative audit work performed over the funding received and expenditures incurred in the LAO Legal Disbursements Fund as well as the Board approval witnessed by MNP in person at the 2013 year-end Board meeting. ACLC advised that no Board minutes exist which contain approval of this specific journal entry. As per

the minutes of the ACLC Board of Directors meeting on September 12, 2013, the March 31, 2013 financial statements presented by MNP were approved.

Table 6.4 – Summary of Inter-fund Journal Entries Selected for Testing During the Period of Review

Ref #	Category	Number of Inter-fund Journal Entries Selected for Testing			Absolute Value of Journal Entries Recorded in Inter-fund Receivable/Payable Accounts Selected for Testing		
		LAO General Fund	LAO Legal Disbursements Fund	Total	LAO General Fund	LAO Legal Disbursements Fund	Total
1	Transferring or Moving of Funds: Shared Cost	5	0	5	35,509.91	0.00	35,509.91
2	Transferring or Moving of Funds: Repayment of Inter-fund Receivable/Payable	9	1	10	44,137.96	10,000.00	54,137.96
3	Transferring or Moving of Funds: Write-off of Inter-fund Receivable/Payable	1	0	1	1,029.29	0.00	1,029.29
Sub-Total – Transferring or Moving of Funds		15	1	16	\$80,677.16	\$10,000.00	\$90,677.16
4	Change to Inter-fund Balance	3	2	5	62,419.65	72,811.40	135,231.05
Total – Period of Review		18	3	21	\$143,096.81	\$82,811.40	\$225,908.21

Finally, no indications of inter-fund activity were noted from our scan of the LAO General and LAO Legal Disbursements Funds' general ledger activity during the period from August 1, 2015 to December 31, 2016 for the trade accounts receivable and trade accounts payable accounts.

Scope Item #3 – Reconciliation of Inter-fund Balances after March 31, 2016

The inter-fund receivable/payable balances, across all ACLC funds, were reconciled to a net balance of \$nil as at March 31, 2016, as per the audited financial statements. As per discussions conducted with ACLC, the inter-fund receivable/payable balances have been reconciled on a monthly basis since April 30, 2016. As of the date of our testing, the most recently prepared inter-fund receivable/payable reconciliation was as at December 31, 2016. This reconciliation noted that across all ACLC funds, the net unreconciled difference was \$124.37 (0.05% of the absolute value of inter-fund receivable/payable balances as at December 31, 2016). ACLC advised that [REDACTED] ACLC's Office Manager and Bookkeeper, is in process of reconciling this remaining difference.

Set out in Table 6.5 below are the details of the LAO General and LAO Legal Disbursements Funds' net inter-fund receivables as at March 31, 2016 and net inter-fund payables as at December 31, 2016. This table also outlines the results of our procedures to reconcile the inter-fund trial balance accounts to the other corresponding ACLC funds.

Table 6.5 – LAO General and LAO Legal Disbursements Funds Net Inter-fund Receivable/Payable at March 31, 2016 and December 31, 2016

Trial Balance Account	Balance at March 31, 2016 \$	Corresponding Balance in Other ACLC Fund Trial Balance?	Balance at December 31, 2016 \$	Corresponding Balance in Other ACLC Fund Trial Balance?
LAO General Fund				
1205 Due From DOJ	0.00	Yes	0.00	Yes
1210 Due From Legal Disbursements	19,561.90	Yes	15,561.90	Yes
1211 Due from MAG	(1,348.86)	Yes	0.00	Yes
1254 Due From ACYJP-Training	7,265.59	Yes	7,265.59	Yes
1255 Due from ACYJP	10,166.31	Yes	11,849.61	Yes
1256 Due From YIT	40,063.31	Yes	40,063.31	Yes
1260 Due from National Consultation	1,253.38	Yes	1,253.38	Yes
1265 Due to Outreach	(55,291.02)	Yes	(55,291.02)	Yes
1275 Due From Youth Justice Education	21,200.00	Yes	21,200.00	Yes
1285 Due to Admin	(1,489.31)	See Note 14	(20,948.53)	See Note 14
1295 Due from Cultural Competency	(3,127.99)	Yes	0.00	Yes
2100 YOW	(4,346.20)	Yes	(4,346.20)	Yes
2290 Due from Grant-Court Challenges	(35,270.63)	See Note 14	(35,270.63)	See Note 14
2300 Due to Non LAO-AP Owe to Grant	12,273.16	See Note 14	12,273.16	See Note 14
LAO General Fund - Net Inter-fund Receivable (Payable)	\$10,909.64		(\$6,389.43)	
LAO Legal Disbursements Fund				
1050 Due To General Account	(19,561.90)	Yes	(15,561.90)	Yes
1065 Due from (to) MAG	11,124.40	Yes	11,124.40	Yes
2503 Due to DOJ	(8,551.52)	Yes	(8,551.52)	Yes
2505 Due from Admin/Toronto Jail	56,550.01	Yes	(15,810.20)	Yes
2506 Due To ACYJP	(668.57)	Yes	(668.57)	Yes
LAO Legal Disbursements Fund - Net Inter-fund Receivable (Payable)	\$38,892.42		(\$29,467.79)	

Note 14: These three amounts sum to a net inter-fund payable of \$24,486.78 and \$43,946.00 owing from the LAO General Fund to the Admin Fund as at March 31, 2016 and December 31, 2016, respectively. The corresponding net inter-fund receivable in the trial balance of the Admin Fund sums to a net inter-fund receivable owing from the LAO General Fund of \$25,344.04 and \$44,803.52 as at March 31, 2016 and

December 31, 2016, respectively, resulting in a difference of \$857.26 at each point in time. Per discussion with ACLC, this appears to be the result of an inter-fund payable recorded in the Admin Fund's records as owing to the DOJ Fund instead of the LAO General Fund. If this were to be the case, netting this amount (owing from the Admin Fund to the LAO General Fund) against the above noted inter-fund receivable in the Admin Fund (as owing from the LAO Fund), the remaining unreconciled difference between the two funds would be \$2.11.

Scope Item #4 – Changes in Inter-fund Balances During Fiscal 2016/17 Year to Date

As at March 31, 2016, the net inter-fund balances for the LAO General and LAO Legal Disbursements Funds were in a receivable position of \$10,910 and \$38,892, respectively. As at December 31, 2016, the net inter-fund balances for the LAO General and LAO Legal Disbursements Funds were in a payable position of \$6,389 and \$29,468, respectively. A sample of inter-fund account journal entries was selected for testing between April 1, 2016 and December 31, 2016 to understand the changes in these inter-fund balances. The journal entries were selected on a judgemental basis based on the assessed risk that the items may represent transferring, loaning or borrowing of LAO funds. The reason for these changes are set out within the Scope Item #2 area of 'Section 6: Detailed Findings'. A detailed listing of the journal entries selected for testing is set out in Table B.2 in **Appendix B**.

In order to obtain an understanding of any further movement which may occur within these inter-fund balances between December 31, 2016 and March 31, 2017, ACLC's 2016/17 year end, discussions were conducted with ACLC. Inquiries were made to understand the status of the corresponding ACLC programs to which the inter-fund receivable/payable components relate as at December 31, 2016. These inquiries were performed to assess the likelihood that ACLC will receive payment for, repay or write-off the balances going forward.

The inter-fund balances which existed as at December 31, 2016 have been categorized as follows:

- 1) **Inter-fund Balance Relating to Active Programs:** ACLC advised that these inter-fund balances represent accumulated shared cost amounts and relate to other ACLC programs which remain active as these ACLC programs continue to receive funding. Therefore, there is activity in the corresponding ACLC fund to either repay in cash the receivables owing to the LAO General or LAO Legal Disbursements Funds, or to receive the cash from the LAO General or LAO Legal Disbursements Funds to settle the payable owing to the other ACLC fund. The intent is to settle all receivables related to active programs prior to finalizing the March 31, 2017 financial statements. If there is not an ability to settle these balances prior to this time, the remaining balances will either be presented as inter-company balances owing to or from African Canadian Community Services ("ACCS"), and settled in future fiscal years, or written off. ACLC also advised that effective April 1, 2017, costs will no longer be shared among ACLC and ACCS.
- 2) **Inter-fund Balances Relating to Inactive Programs:** ACLC advised that these inter-fund balances relate to other ACLC programs which are no longer active as these ACLC programs are no longer receiving funding. The receivable/payable balances arose from "historical journal entries" recorded prior to the fiscal 2016/17 year, including those with and without a cash element. We were advised by ACLC that they, along with their auditors and the Board of Directors, will assess how to clear these inter-fund balances at year-end. Per discussions with ACLC, these balances will likely be written-off over one or more years through financial statement year-end adjustments and not transfers of cash. If these balances cannot be cleared prior to finalizing the March 31, 2017 financial statements, the remaining balances will either be presented as inter-company balances owing to or from ACCS, and cleared in future fiscal years, or written off.

Set out in Table 6.6 below is a high level summary of the above noted categorization of the inter-fund balances as at December 31, 2016. Each figure in this table is further expanded in Table 6.7 below at the trial balance account level.

Table 6.6 – Summary of LAO General and LAO Legal Disbursements Funds Inter-fund Balances and Corresponding Inter-fund Amounts – Active vs. Inactive Programs

	Type of Inter-fund Balance	LAO General Fund			LAO Legal Disbursements Fund		
		Inter-fund Receivable	Inter-fund Payable	Net December 31, 2016	Inter-fund Receivable	Inter-fund Payable	Net December 31, 2016
1	Active Programs	67,474.82 <i>(Note 15)</i>	(25,294.73) <i>(Note 16)</i>	42,180.09	11,124.40 <i>(Note 19)</i>	(32,040.67) <i>(Note 20)</i>	(20,916.27)
2	Inactive Programs	41,992.13 <i>(Note 17)</i>	(90,561.65) <i>(Note 18)</i>	(48,569.52)	0.00	(8,551.52) <i>(Note 21)</i>	(8,551.52)
Inter-fund Receivable (Payable) Amount		\$109,466.95	(\$115,856.38)	(\$6,389.43)	\$11,124.40	(\$40,592.19)	(\$29,467.79)

Table 6.7 – LAO General and LAO Legal Disbursements Funds Inter-fund Balances and Corresponding Inter-fund Amounts, by Trial Balance Account – Active vs. Inactive Programs

Note	Trial Balance Account	Balance at March 31, 2016 \$	Balance at December 31, 2016 \$	Change \$	Inter-fund Receivable/Payable Relating to an Active vs. Inactive Program?
LAO General Fund					
	01-1210 Due From Legal Disbursements	19,561.90	15,561.90	(4,000.00)	Active
	01-1255 Due from ACYJP (Note 22)	10,166.31	11,849.61	1,683.30	Active
	01-1256 Due From YIT (Note 23)	40,063.31	40,063.31	0.00	Active
15	Sub-total - Active Programs with Inter-fund Receivable	\$69,791.52	\$67,474.82	(\$2,316.70)	
	01-1285 Due to Admin	(1,489.31)	(20,948.53)	(19,459.22)	Active
	01-2100 YOW	(4,346.20)	(4,346.20)	0.00	Active
	01-1295 Due from Cult. Competency	(3,127.99)	0.00	3,127.99	Active
	01-1211 Due from MAG	(1,348.86)	0.00	1,348.86	Active
16	Sub-total - Active Programs with Inter-fund Payable	(\$10,312.36)	(\$25,294.73)	(\$14,982.37)	
	01-1254 Due From ACYJP-Training	7,265.59	7,265.59	0.00	Inactive
	01-1260 Due from National Consultation	1,253.38	1,253.38	0.00	Inactive
	01-1275 Due From Youth Justice Education	21,200.00	21,200.00	0.00	Inactive
	01-2300 Due to Non LAO-AP Owe to Grant	12,273.16	12,273.16	0.00	Inactive
17	Sub-total - Inactive Programs with Inter-fund Receivable	\$41,992.13	\$41,992.13	\$0.00	
	01-1265 Due to Outreach	(55,291.02)	(55,291.02)	0.00	Inactive
	01-2290 Due from Grant-Court Challenges	(35,270.63)	(35,270.63)	0.00	Inactive
	01-1205 Due From DOJ	0.00	0.00	0.00	Inactive
18	Sub-total - Inactive Programs with Inter-fund Payable	(\$90,561.65)	(\$90,561.65)	\$0.00	
LAO General Fund - Net Inter-fund Receivable (Payable)		\$10,909.64	(\$6,389.43)	(\$17,299.07)	
LAO Legal Disbursements Fund					
	13-1065 Due from (to) MAG	11,124.40	11,124.40	0.00	Active
19	Sub-total - Active Programs with Inter-fund Receivable	\$11,124.40	\$11,124.40	\$0.00	
	13-1050 Due To General Account	(19,561.90)	(15,561.90)	4,000.00	Active
	13-2505 Due from Admin/Toronto Jail	56,550.01	(15,810.20)	(72,360.21)	Active
	13-2506 Due To ACYJP	(668.57)	(668.57)	0.00	Active
20	Sub-total - Active Programs with Inter-fund Payable	\$36,319.54	(\$32,040.67)	(\$68,360.21)	
	13-2503 Due to DOJ	(8,551.52)	(8,551.52)	0.00	Inactive
21	Sub-total - Inactive Programs with Inter-fund Payable	(\$8,551.52)	(\$8,551.52)	\$0.00	
LAO Legal Disbursements Fund - Net Inter-fund Receivable (Payable) (Note 24)		\$38,892.42	(\$29,467.79)	(\$68,360.21)	

Note 15: Gross inter-fund receivables of \$69,791.52 as at March 31, 2016 and \$67,474.82 as at December 31, 2016 are owing to the LAO General Fund from other ACLC funds which are assessed by ACLC as operating active programs.

Note 16: Gross inter-fund payables of \$10,312.36 as at March 31, 2016 and \$25,294.73 as at December 31, 2016 are owed by the LAO General Fund to other ACLC funds which are assessed by ACLC as operating active programs.

Note 17: Gross inter-fund receivables of \$41,992.13 as at March 31, 2016 and December 31, 2016 are owing to the LAO General Fund from other ACLC funds which are assessed by ACLC as no longer operating active programs.

Note 18: Gross inter-fund payables of \$90,561.65 as at March 31, 2016 and December 31, 2016 are owed by the LAO General Fund to other ACLC funds which are assessed by ACLC as no longer operating active programs.

Note 19: Gross inter-fund receivables of \$11,124.40 as at March 31, 2016 and December 31, 2016 are owing to the LAO Legal Disbursements Fund from other ACLC funds which are assessed by ACLC as operating active programs.

Note 20: Gross inter-fund receivables of \$36,319.54 as at March 31, 2016 are owing to the LAO Legal Disbursements Fund from other ACLC funds which are assessed by ACLC as operating active programs. Gross inter-fund payables of \$32,040.67 as at December 31, 2016 are owed by the LAO Legal Disbursements Fund to other ACLC funds which are assessed by ACLC as operating active programs.

Note 21: Gross inter-fund payables of \$8,551.52 as at March 31, 2016 and December 31, 2016 are owed by the LAO Legal Disbursements Fund to other ACLC funds which are assessed by ACLC as no longer operating active programs.

Note 22: This balance contains \$4,914.00 of the \$21,873.76 PYA amount described in 'Scope Item #1'.

Note 23: This balance contains \$16,959.76 of the \$21,873.76 PYA amount described in 'Scope Item #1'.

Note 24: This detail shows that the overall change in the LAO Legal Disbursements Fund is primarily the result of a 'Change to Interfund Balance' journal entry in the amount of \$72,588.00 which moved the inter-fund balance with the Admin Fund from a receivable to a payable position. This transaction is described in further detail within 'Scope Item #2' (specificially note 12) above.

Appendix A – Restrictions and Limitations

General

We have set out in this report, the detailed procedures undertaken by us and our findings thereon. The primary sources of information considered and relied upon are referred to in the body of this report. Our review does not constitute an audit, as defined by Canadian Auditing Standards. We have not attempted to audit or otherwise verify the information presented to us beyond the express scope stated in this report. We have not sought external verification of the information provided to us except as expressly stated. Should further information come to our attention, the results and conclusions expressed herein may change. We reserve the right, but are under no obligation, to review such information and reconsider and amend the findings set out in this report.

This document is not intended for general circulation or publication, nor is it to be reproduced or used for any purpose without our prior written consent in each and every instance. We do not assume any responsibility for losses occasioned to LAO, ACLC or other parties as a result of the circulation, publication, reproduction, or use of this status update or its contents contrary to the provisions of this paragraph.

We make no representation regarding matters of legal interpretation.

Specific

- We did not validate the complete population of inter-fund journal entries during the Period of Review as journal entries were tested on a sample basis.
- We did not obtain or examine all inter-fund reconciliations performed during the period from April 30, 2016 to December 31, 2016.
- We requested general ledger journal entry detail for the LAO General and LAO Legal Disbursements Funds for the period from April 1, 2015 to July 31, 2015. This information was not provided by ACLC as they advised the time period for this request overlaps with a set of procedures previously conducted by LAO's internal audit unit. In addition, ACLC advised that it was the Clinic Committee of the LAO Board of Directors' direction, provided within the 'Interim Decision' dated January 19, 2017, that the procedures would cover a period commencing subsequent to July 31, 2015. As such we were not able to perform the following:
 - Validate that inter-fund journal entries selected for testing from the LAO General and LAO Legal Disbursements Funds, between April 1, 2015 and July 31, 2015, had a corresponding journal entry in the corresponding ACLC fund (consistency check); and
 - Perform procedures to assess inter-fund activity, if any, recorded through trade accounts receivable or trade accounts payable accounts for the LAO General or LAO Legal Disbursements Funds, between April 1, 2015 and July 31, 2015.
- We did not perform an assessment of any journal entries for appropriate accounting treatment.
- We did not perform an assessment of the ACLC funds' ability to repay inter-fund receivables owed to the LAO General or LAO Legal Disbursements Funds.
- We did not validate inter-fund journal entries for appropriate allocation of costs across the ACLC funds.
- For certain shared cost journal entries selected for testing, based on timing of our procedures, we were unable to validate receipt of funds or payment of funds to settle the shared cost amounts.
- We did not review the working paper files for ACLC's current auditors, Hennick Herman, LLP or prior auditors, MNP and neither Hennick Herman, LLP nor MNP have reviewed the contents of this report.
- We did not review original invoice, bank slip or cheque stub documentation and relied upon photocopies provided by ACLC.
- We did not perform an assessment of ACLC's compliance with the LAO approved monthly funding schedule.
- We did not attempt to confirm actual services were provided or actual purchases were made or in any other way validate or verify receipt of goods or services with respect to the payments analyzed.
- We did not perform procedures to assess the reliability of the accounting systems used by ACLC to record journal entries.

Appendix B – Summary of Inter-fund Journal Entries Selected for Testing

Table B.1 below sets out the inter-fund journal entries selected for testing during the fiscal 2015/16 period from April 1, 2015 to March 31, 2016:

Table B.1 – Summary of Fiscal 2015/16 Inter-fund Journal Entries Selected for Testing

Ref #	Category	Account # / Account Name	Journal Entry Date	Debit \$	Credit \$	Opposite Entry in Corresponding Fund's Inter-fund GL Account?	Testing Notes
<i>LAO General Fund</i>							
1	Transferring or Moving of Funds: Shared Cost	5540 - Bookkeeping - External	31-Mar-16	2,237.55		Yes	- Represents a new payable owing to the MAG fund for shared bookkeeping expenses - Copies of invoices for the bookkeeper's services were viewed, as well as an allocation which outlines the portion relating to the MAG Fund
		1211 - Due from MAG			2,237.55		
2	Transferring or Moving of Funds: Shared Cost	5540 - Bookkeeping - External	8-Jan-16	2,049.30		Yes	- Represents a new payable owing to the YOW fund for shared bookkeeping, telecommunications and insurance expenses - Copies of invoices viewed
		6100 - Communications		275.63			
		6105 - Telephone - Base		295.38			
		6250 - Insurance		1,725.89			
		2100 - YOW			4,346.20		
3	Transferring or Moving of Funds: Shared Cost	2000 - Accounts Payable	22-Jan-16	1,489.31		Yes	- Represents a new payable owing to the Admin fund for shared telecommunications expenses - Copy of invoice viewed
		1285 - Due to Admin			1,489.31		
4	Transferring or Moving of Funds: Repayment of Inter-fund Receivable/ Payable	1255 - Due from ACYJP	17-Jun-15	7,000.00		Unknown. General ledger detail prior to Aug 1, 2015 not provided. However, opening balance agrees	- Per discussion with ACLC, represents funds incorrectly deposited by the LAO General Fund into the ACYJP General Fund - The amount owing from the ACYJP fund to repay this amount is recognized and the funds are collected, in combination with a new shared cost amount, in Ref #5 below - Copy of cheque stub viewed
		2000 - Accounts Payable			7,000.00		

Ref #	Category	Account # / Account Name	Journal Entry Date	Debit \$	Credit \$	Opposite Entry in Corresponding Fund's Inter-fund GL Account?	Testing Notes
5	Transferring or Moving of Funds: Repayment of Inter-fund Receivable/ Payable	1010 - Bank - CIBC - 10-44613	24-Aug-15	7,500.00		Yes	- Per discussion with ACLC, represents the repayment of the funds incorrectly deposited into the ACYJP fund (Ref #4 above) in combination with payment from the ACYJP fund to the LAO General fund to clear a portion of the Inter-fund payable - Copy of deposit slip viewed
		1255 - Due from ACYJP			7,500.00		
6	Transferring or Moving of Funds: Repayment of Inter-fund Receivable/ Payable	1285 - Due to Admin	26-Nov-15	17,000.00		Yes	- Represents repayment of an inter-fund payable owed to the Admin fund - Copy of cheque stub viewed
		1010 - Bank - CIBC - 10-44613			17,000.00		
7	Transferring or Moving of Funds: Repayment of Inter-fund Receivable/ Payable	1205 - Due from DOJ	19-Jan-16	3,000.00		No. However, the Dec 31, 2016 balance agrees	- Represents repayment of an inter-fund payable owed to the DOJ fund - Copy of cheque stub viewed
		1010 - Bank - CIBC - 10-44613			3,000.00		
8	Transferring or Moving of Funds: Write-off of Inter-fund Receivable/Payable	1205 - Due from DOJ	31-Mar-16	1,029.29		No. However, the Dec 31, 2016 balance agrees	- Represents a write-off of an inter-fund payable owing to the DOJ fund which will not be paid off using LAO funds - Write-off executed by reduction to current year expenses
		9000 -Other Expense			1,029.29		
9	Change to Inter-fund Balance	1255 - Due from ACYJP	31-Mar-16	4,914.00		Yes	-Represents the \$21,873.76 component of the PYA discussed in Scope Item #1 of 'Section 6: Detailed Findings' -Per discussion with ACLC, no supporting documentation exists with respect to this change in inter-fund balance -As per the minutes of the ACLC Board of Directors meeting on July 9, 2016, the financial statements for the period ending March 31, 2016 were approved
		1256 - Due from YIT		16,959.76			
		3050 - Fund Balance Transferred			4,914.00		
		3050 - Fund Balance Transferred			16,959.76		
10	Change to Inter-fund Balance	1256 - Due from YIT	31-Mar-16	17,481.33		Yes - for both the YIT and Youth Justice Funds	- Represents a March 31, 2016 year-end adjusting entry - Per discussion with ACLC, recorded to reduce the LAO General Fund deficit to a balance of \$nil, the impact of which is similar to the PYA described in Scope Item #1 - Per discussion with ACLC, no supporting documentation exists with respect to this change in the inter-fund balance
		1256 - Due from YIT		3,064.56			
		1275 - Due from Yth Just. Education		15,000.00			
		6156 - Audit fee adjustment			8,243.22		
		6336 - Travel expenses adjustment			5,001.39		
		6356 - Communication expenses adjustment			8,893.20		

Ref #	Category	Account # / Account Name	Journal Entry Date	Debit \$	Credit \$	Opposite Entry in Corresponding Fund's Inter-fund GL Account?	Testing Notes
		6561 - Supplies expenses adjustment			11,615.43		
		9001 - Other project expenses adjustment			1,792.65		
11	Change to Inter-fund Balance	1010 - Bank - CIBC - 10-44613	31-Mar-16	5,000.00		Yes	- Per discussion with ACLC, represents a March 31, 2016 year-end adjusting entry recorded to clear stale-dated cheques which were not cashed by the Cultural Competency fund - Sets up an inter-fund payable owing to the Cultural Competency Fund for the cheques not previously cleared
		1295 - Due from Cult. Competency			5,000.00		
LAO Legal Disbursements Fund							
12	Transferring or Moving of Funds: Repayment of Inter-fund Receivable/Payable	2505 - Due from Admin/Toronto Jail	26-Nov-15	10,000.00		Yes	- Represents repayment of an inter-fund payable owed to the Admin fund - See further details in 'Section 6: Detailed Findings', Note 6 - Copy of cheque stub viewed
		1000 TD Account #5008025			10,000.00		
13	Change to Inter-fund Balance	1065 - Due from (to) MAG	31-Mar-16	223.40		Yes	- Per discussion with ACLC, represents a March 31, 2016 year-end adjusting entry recorded to clear a stale-dated cheque which was not cashed by the LAO Legal Disbursements Fund - Sets up an interfund receivable owing from the MAG fund for the cheque not previously cleared
		6515 - Office Expenses			223.40		

Table B.2 below sets out the inter-fund journal entries selected for testing during the fiscal 2016/17 period to date from April 1, 2016 to December 31, 2016. Since these journal entries have been recorded subsequent to the March 31, 2016 financial statement audit, these journal entries have not yet been captured by the audit procedures of Hennick Herman, LLP.

Table B.2 – Summary of Fiscal 2016/17 Year to Date Inter-fund Journal Entries Selected for Testing

Ref #	Category	Account # / Account Name	Journal Entry Date	Debit \$	Credit \$	Opposite Entry in Corresponding Fund's Inter-fund GL Account?	Testing Notes
<i>LAO General Fund</i>							
1	Transferring or Moving of Funds: Shared Cost	1255 - Due from ACYJP	14-Apr-16	325.85		Yes - LAO fund recognized expenditure on a bi-weekly basis and ACYJP fund recognized on a monthly basis	- Per discussion with ACLC, represents a new receivable owing from the ACYJP fund for shared bookkeeping expenses of one bi-weekly period - A copy of the Ceridian payroll report for the bookkeeper's semi-monthly salary was viewed, as well as an allocation which outlines the portion relating to the ACYJP Fund - Repayment is noted in Ref #4 below
		5010 - EMP0009			325.85		
2	Transferring or Moving of Funds: Shared Cost	1317 - Leasehold Improvements	30-Sep-16	27,111.00		Yes	- Represents a new payable owing to the Admin fund for shared leasehold improvement expenses - The leasehold improvement invoice was shared equally by the LAO General and Admin funds - Copy of invoice from lessor viewed
		1285 - Due to Admin			27,111.00		
3	Transferring or Moving of Funds: Repayment of Inter-fund Receivable/ Payable	1010 - Bank - CIBC - 10-44613	18-Apr-16	279.11		Yes	- Represents repayment of an inter-fund receivable owed from the Admin fund - Copy of CIBC deposit slip viewed
		1285 - Due to Admin			279.11		
4	Transferring or Moving of Funds: Repayment of Inter-fund Receivable/ Payable	1010 - Bank - CIBC - 10-44613	5-Jul-16	2,882.00		Yes	- Per discussion with ACLC, represents repayment of inter-fund receivable owed from the ACYJP fund, made up of bi-weekly bookkeeping expenses (one example in Ref #1 above), as well as other inter-fund receivables recorded prior to the Period of Review - Copy of CIBC deposit slip viewed
		1255 - Due from ACYJP			2,882.00		
5	Transferring or Moving of Funds: Repayment of Inter-fund Receivable/ Payable	1285 - Due to Admin	20-Jul-16	2,000.00		Yes	- Represents repayment of an inter-fund payable owed to the Admin fund - Copy of cheque stub viewed
		1010 - Bank - CIBC - 10-44613			2,000.00		
6	Transferring or Moving of Funds:	1211 - Due from MAG	19-Sep-16	1,348.86		Yes	- Represents repayment of an inter-fund payable owed to the MAG fund - Copy of cheque stub viewed

Ref #	Category	Account # / Account Name	Journal Entry Date	Debit \$	Credit \$	Opposite Entry in Corresponding Fund's Inter-fund GL Account?	Testing Notes
	Repayment of Inter-fund Receivable/ Payable	1010 - Bank - CIBC - 10-44613			1,348.86		
7	Transferring or Moving of Funds: Repayment of Inter-fund Receivable/ Payable	1295 - Due from Cult. Competency	19-Sep-16	3,127.99		Yes	- Represents repayment of an inter-fund payable owed to the Cultural Competency Fund - Copy of cheque stub viewed
		1010 - Bank - CIBC - 10-44613			3,127.99		
<i>LAO Legal Disbursements Fund</i>							
8	Change to Inter-fund Balance	3020 - Interfund Transfers	1-Apr-16	72,588.00		Yes	- See further detail in 'Section 6: Detailed Findings', Notes 12 and 13 - No supporting documentation exists
		2505 - Due from Admin/Toronto Jail			72,588.00		