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DEPARTMENT OF THE
SOLICITOR GENERAL

REPORT ON THE AUDIT OF THE
CONTRIBUTION AGREEMENT
WITH THE CHURCH COUNCIL ON
JUSTICE AND CORRECTIONS

January 4, 1999

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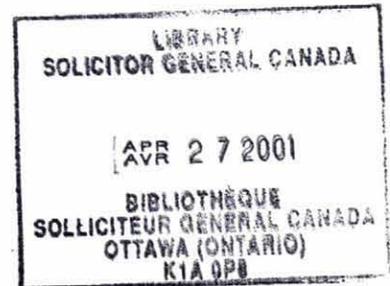
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1. INTRODUCTION

A financial audit of the contribution agreement, originally dated December 16, 1997 and amended on November 6, 1998, between the Department of the Solicitor General (Department), and the Church Council on Justice and Corrections was conducted by the Department's Management Review Division. The audit was undertaken in December 1998.

The subject of this audit is the contribution awarded to the Church Council on Justice and Corrections (CCJC) in support of the Community Forum on Healing Justice held in Moncton, New Brunswick on September 16-17, 1998.

The contribution from the Department included funding from Correctional Service of Canada, National Parole Board, and the Royal Canadian Mounted Police and was to cover salaries, travel, printing, workshop materials, catering, and overhead costs.

2. AUDIT OBJECTIVES

2.1 The general objectives of the audit were:

- 2.1.1 to ensure that claimed expenditures have been incurred by the CCJC, and are in accordance with the contribution agreement, and departmental and central agency guidelines;
- 2.1.2 to verify and report on the costs incurred and claimed, and indicate the concurrence, or otherwise, of the CCJC with the audit findings; and
- 2.1.3 to bring to the attention of the Department, any matters considered to be of significance or requiring management action.

2.2 Specific objectives included determining that:

- 2.2.1 the CCJC met both the financial and non-financial terms of the contribution agreement;
- 2.2.2 as they relate to the contribution:
 - financial operations were conducted properly;
 - financial statements were presented fairly;
 - financial reports contained accurate and reliable information; and

- 2.2.3 the CCJC had an adequate internal control system to account for, and manage, the contribution received.

3. AUDIT SCOPE

3.1 The audit scope was limited to the verification of the recipient's financial records, supporting documentation and claims for the period December 16, 1997 to November 30, 1998, and included:

- an examination and assessment of the quality, propriety and accuracy of the recipient's financial records, accounting procedures and internal controls, as they relate to the costs charged under the terms of the agreement; and
- an assessment of the reasonableness and eligibility of the expenditures incurred or charged in accordance with generally accepted accounting principles, and with the terms of the agreement.

3.2 The audit was conducted in accordance with generally accepted auditing standards, and in accordance with the Office of the Comptroller General's guide on the audit of Federal Contributions.

4. AUDIT APPROACH

Our approach was based on recognition of the need to focus on the key issue, which is the compliance by the recipient with the terms and conditions of the contribution agreement, and primarily to ensure the claimed expenditures have been incurred, and the recipient is meeting the financial terms of the agreement.

The audit was undertaken in three phases:

- planning;
- field work and analysis; and
- reporting.

The planning phase included an orientation/familiarization with the mandate, obtaining information and documentation in relation to the contribution, developing the detailed audit program, and arranging the on-site visit with the auditee.

The field work and analysis consisted mainly of undertaking the detailed audit program to gather evidence to support our audit opinion, findings, and conclusions. The principal audit activities included interviews with the auditee's representatives, an examination and evaluation of accounting systems, controls, and the results of the tests conducted on the books and records and supporting documentation of the recipient as they relate to this contribution, and obtaining the auditee's response to the audit findings.

The reporting phase involved an analysis of our findings, and the formulation of an opinion on the information obtained from the recipient, for inclusion in the audit report. In addition, we have debriefed the Department's Corrections Directorate on the results of the audit.

5. CONCLUSION

Our review indicated that the activities undertaken by the CCJC in relation to the Community Forum on Healing Justice held in Moncton, New Brunswick appeared consistent with the stated objectives of the contribution agreement.

Based on our examination we believe that claimed expenditures were made in accordance with the contribution agreement.

Our review revealed that the CCJC have generally met the financial and non-financial terms of the contribution agreement.

Details of the audit findings are presented in the Auditors' Report, and supporting Schedules 1 and 2.

December 16, 1998

6. AUDITORS' REPORT

Church Council of Justice and Corrections Contribution Agreement Originally Dated
December 16, 1997 and amended on November 6, 1998
Period Audited: December 16, 1997 to November 30, 1998

We have audited the accounts and records of the CCJC, insofar as they pertain to the amounts claimed for the above contribution agreement.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the amounts claimed are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the claims. An audit also includes assessing the accounting principles used, and significant estimates made by the recipient.

In our opinion, the audited amount of \$68,089 presents fairly, in all other material respects, the costs allowable under the terms of the agreement. The maximum contribution of the Department is \$32,500. Supporting information and related comments are provided in Schedules 1 and 2.

The audit results were discussed with CCJC's Management Coordinator, Louise Briscoe, and she agreed with the audit findings.

Management Review Division
Corporate Services Directorate
Department of the Solicitor General

Church Council of Justice and Corrections
Summary of Reported and Audited Amounts
December 16, 1997 to November 30, 1998

	Approved Amount	Reported Amounts	Adjustment	Audited Amounts
Salaries				
Professional Salaries (Note 1)	\$29,400	\$48,596	-	\$48,596
Staff Salaries (Note 2)	1,700	3,610	-	3,610
Other (Note 3)	-	483	-	483
Travel	6,000	4,865	-	4,865
Printing	3,000	-	-	-
Workshop Material	200	222	-	222
Catering	1,500	1,812	-	1,812
Consulting Fees (Note 4)	-	2,231	-	2,231
Sub-total	\$41,800	\$61,819	-	61,819
Overhead (15% of Sub-total to a Maximum of 6,270)	6,270	6,270	-	6,270
Total Costs	\$48,070	\$68,089	-	\$68,089
Less: Revenue from other sources				
Department of Justice				8,000
Province of New Brunswick				5,000
Crime Prevention Association of New Brunswick Inc.(Note 5)				500
Total Eligible Costs				\$54,589
Department's Portion of Eligible Costs (Maximum of \$32,500)				\$32,500
Less: Funds Provided by Department				27,500
Funds remaining to be contributed by the Department				\$5,000
 Costs to be absorbed by CCJC's core funding				 \$22,089

The Church Council of Justice and Corrections Contribution Agreement
Audit Notes, and Observations

AUDIT NOTES

1. The Communications Coordinator and the Analysis Coordinator have spent a total of 157 days (93 days and 64 days respectively) at an actual cost of \$313.44^{*} and \$303.84^{*} per day respectively on the Community Forum on Healing Justice Project.
2. The Management Coordinator spent 17.5 days at an actual cost of \$206.30^{*} per day on the Community Forum on Healing Justice Project.
3. Salaries for temporary help for March and October of 1998 were \$291.51 and \$191.43 respectively.
4. Consulting fees were paid to two local firms in New Brunswick who assisted with the planning, organizing, coordination and set-up of the Community Forum on Healing Justice Project.
5. On September 8, 1998 the Crime Prevention Association of New Brunswick Inc. made a \$500 donation to the Community Forum on Healing Justice Project to offset the cost of catering the two-day event.

AUDIT OBSERVATIONS

1. It was noted during the course of the audit that the \$22,089 difference between the total costs of the project and the total funding provided by the Department and other sources will be absorbed by the CCJC's regular budget and core funding.

^{*} Daily salary cost based on the yearly total cost of salary and benefits for each employee divided by the average number of working days in a year.

