



Campbell River and District Division of Family Practice Society

Audit Findings Report

For the year ending March 31, 2023

June 26, 2023 Chan Nowosad Boates Inc., Chartered Professional Accountants



| Audit Status | 3 |
|---|---|
| Significant audit, accounting and reporting matters | 4 |
| Significant qualitative aspects of accounting practices | į |
| Misstatements | (|
| Control Deficiencies | - |
| Appendices Index | 9 |





STATUS

As of the date of this report, we have completed the audit of the financial statements, with the exception of certain remaining procedures, which include:

- Obtaining evidence of the Board's approval of the financial statements;
- Obtaining a signed management representation letter, dated the date of the Board's approval of the financial statements.

Please refer to the copies provided of our draft audit report and financial statements. We will update you on any significant matters arising from the completion of the audit, including completion of the above procedures.

Our audit report will be dated upon completion of any remaining procedures.



SIGNIFICANT AUDIT, ACCOUNTING AND REPORTING MATTERS

FUNDING AND DEFERRED REVENUE

- Total Division funding received in fiscal 2023 was approximately \$2.05M and carryover funding from 2022 was approximately \$279K.
- Of this combined \$2.33M of available funds, approximately \$1.73M was spent on Division programs during fiscal 2023 and approximately \$17K was repayable to DoBC at year end with respect to unspent COVID funding.
- Approximately \$580K in funding will be carried over and deferred to fiscal 2024.

CNB COMMENTS

- Division funding agreements for 2023 were obtained and reviewed to verify funding amounts reported were accurate and complete.
- Substantive testing of expenses was performed to ensure the amounts reported for Division operations and programs existed, were accurate and reasonable based on the nature of the cost item and how it related to the Division.
- The testing of revenue and expenses enabled CNB to accurately recalculate ending carryforward balances of funding available for use in 2024 by the Division.
- We reviewed the Division of Family Practice FPSC Funding Reporting Schedule to assess whether unspent funds were allowed to be carried forward or required repayment to DoBC.

MISSTATEMENTS AND SIGNIFICANT CONTROL DEFICIENCIES

- No significant control deficiencies were identified as a result of the above.
- We proposed adjusting entries to adjust the reported revenues and deferred revenue of the Society.



SIGNIFICANT QUALITATIVE ASPECTS OF ACCOUNTING PRACTICES

The following are the significant qualitative aspects of the accounting practices of the Division that we plan to discuss with you:

- We believe that the Division's significant accounting policies are appropriate given its nature and its operations.
- The Division has not changed any of its significant accounting policies during the period to which the presented financial statements relate.
- We found no basis on which to disagree with management's estimates.
- With respect to significant disclosures, we have no significant matters to communicate in this area.



MISSTATEMENTS

OTHER SIGNIFICANT MATTERS

Misstatements identified during the audit have been categorized as follows:

- Uncorrected misstatements, including disclosures
- Corrected misstatements, including disclosures

Note that for audit purposes, we did not report or investigate further any misstatements identified that were under \$2,550.

We did not identify any uncorrected misstatements.





CONTROL DEFICIENCIES

BACKGROUND AND PROFESSIONAL STANDARDS

As your auditors, we are required to obtain an understanding of internal control over financial reporting (ICFR) relevant to the preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances for the purpose of expressing an opinion on the financial statements, but not for the purpose of expressing an opinion on internal control. Accordingly, we do not express an opinion on the effectiveness of internal controls.

Our understanding of ICFR was for the limited purpose described above and was not designed to identify all control deficiencies that might be significant deficiencies and therefore, there can be no assurance that all significant deficiencies have been identified.

Our awareness of control deficiencies varies with each audit and is influenced by the nature, timing, and extent of audit procedures performed, as well as other factors.

IDENTIFICATION

We did not identify any significant or other than significant control deficiencies and as a result we have not provided a management letter.



APPENDICES

- 1) Draft Independent Auditor's Report
- 2) Management Representation Letter





INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of the Campbell River & District Division of Family Practice Society

Opinion

We have audited the financial statements of the Campbell River & District Division of Family Practice Society (the "Division"), which comprise the statement of financial position as at March 31, 2023, and the statements of operations and changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Division as at March 31, 2023, and the results of its operations and cash flows for the year then ended in accordance with Canadian Accounting Standards for Not-for-Profit Organizations (ASNPO).

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Division in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with ASNPO, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Division's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Division or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Division's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and
 perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a
 basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one
 resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of
 internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Division's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Division's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Division to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We communicate with those charged with governance regarding, among other matters, the planned scope and timing of
 the audit and significant audit findings, including any significant deficiencies in internal control that we identify during
 our audit.

Report on Other Legal and Regulatory Requirements

As required by the Societies Act (British Columbia), we report that, in our opinion, the accounting principles in Canadian accounting standards for not-for-profit organizations have been applied on a basis consistent with the prior year.

Chartered Professional Accountants Campbell River, BC

June 26, 2023

Campbell River & District Division of Family Practice Society

375 - 2nd Avenue Administration: CRG0308 Campbell River, BC V9W 3V1

June 26, 2023

Chan Nowosad Boates Inc. 980 Alder Street Campbell River, BC V9W 2P9

To Whom it May Concern:

This representation letter is provided in connection with your audit of the financial statements of Campbell River & District Division of Family Practice Society for the year ended March 31, 2023, for the purpose of expressing an opinion as to whether the financial statements are presented fairly, in all material respects, in accordance with Canadian Accounting Standards for Not-for-Profit Organizations (ASNPO).

In making the representations outlined below, we took the time necessary to appropriately inform ourselves on the subject matter through inquiries of entity personnel with relevant knowledge and experience, and, where appropriate, by inspecting supporting documentation.

We confirm that (to the best of our knowledge and belief):

1. Financial Statements

We have fulfilled our responsibilities as set out in the terms of the audit engagement dated May 25, 2023 for:

- a. Preparing and fairly presenting the financial statements in accordance with Canadian Accounting Standards for Not-for-Profit Organizations;
- b. Providing you with:
 - i. Access to all information of which we are aware that is relevant to the preparation of the financial statements, such as:
 - A. Accounting records, supporting data and other relevant documentation,
 - B. Minutes of meetings or summaries of actions taken for which minutes have not yet been prepared, and
 - C. Information on any other matters, of which we are aware, that is relevant to the preparation of the financial statements;
 - ii. Additional information that you have requested from us for the purpose of the audit; and
 - iii. Unrestricted access to persons within the entity from whom you determine it necessary to obtain audit evidence.

- c. Ensuring that all transactions have been recorded in the accounting records and are reflected in the financial statements; and
- d. Designing and implementing such internal control as we determined is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. We have also communicated to you any deficiencies in the design and implementation or the maintenance of internal control over financial reporting of which management is aware.

2. Fraud and Non-Compliance

We have disclosed to you:

- a. All of our knowledge in relation to actual, alleged or suspected fraud affecting the entity's financial statements involving:
 - i. Management;
 - ii Employees who have significant roles in internal control; or
 - iii. Others where the fraud could have a material effect on the financial statements;
- b. All of our knowledge in relation to allegations of fraud or suspected fraud communicated by employees, former employees, analysts, regulators or others;
- c. All known instances of non-compliance or suspected non-compliance with laws and regulations, including all aspects of contractual agreements that should be considered when preparing the financial statements;
- d. All known, actual, or possible litigation and claims that should be considered when preparing the financial statements; and
- e. The results of our risk assessments regarding possible fraud or error in the financial statements.

3. Related Parties

We have disclosed to you the identity of all of the entity's related-party relationships and transactions of which we are aware. All related-party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of Canadian Accounting Standards for Not-for-Profit Organizations.

4. Estimates

We acknowledge our responsibility for determining the accounting estimates required for the preparation of the financial statements in accordance with Canadian Accounting Standards for Not-for-Profit Organizations. Those estimates reflect our judgment based on our knowledge and experience of past and current events, and on our assumptions about conditions we expect to exist and courses of action we expect to take. We confirm that the significant assumptions and measurement methods used by us in making accounting estimates, including those measured at fair value, are reasonable.

5. Commitments and Contingencies

There are no commitments, contingent liabilities/assets or guarantees (written or oral) that should be disclosed in the financial statements. This includes liabilities arising from contract terms, illegal acts or possible illegal acts, and environmental matters that would have an impact on the financial statements.

6. Adjustments

We have reviewed, approved and recorded all of your proposed adjustments to our accounting

records. This includes journal entries, changes to account coding, classification of certain transactions and preparation of, or changes to, certain accounting records.

7. Other Representations

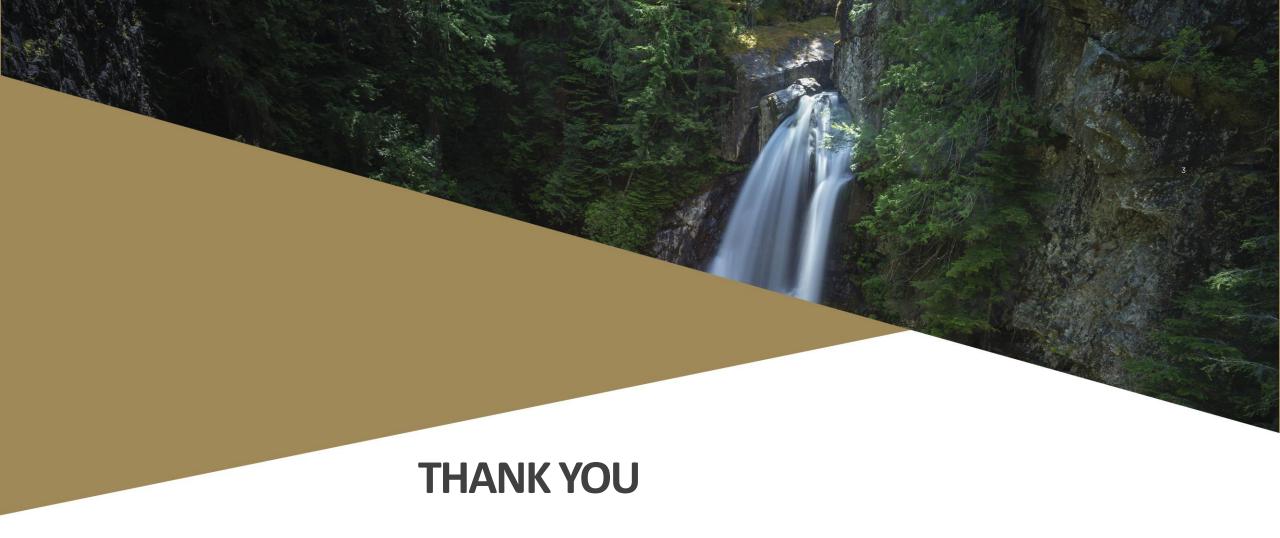
Accounting Policies

All significant accounting policies are disclosed in the financial statements and are consistent with those used in the previous period.

Future Plans

We have no plans or intentions that may materially affect the carrying value or classification of assets and liabilities reflected in the financial statements.

| Yours truly, | |
|-------------------------------------|--|
| | |
| | |
| Dawn Hamilton Executive Director | |



Derek Lamb, CPA, CA

980 Alder Street Campbell River, BC V9W 2P9 #201-1532 Cliffe Avenue Courtenay, BC V9N 2K4

