



Chartered Professional
Accountants LLP

April 22, 2025

New Democratic Party Caucus
RM 265 Legislative Bldg
Regina SK S4S 0B3

Attention: Matt Love
Caucus Chair

Re: Audit Findings Letter

Good Day,

We have completed our audit of New Democratic Party Caucus for the term October 26, 2020 to October 27, 2024, in accordance with Canadian generally accepted auditing standards. In addition to providing our Independent Auditor's Report we are to communicate with management, and those charged with governance of the financial statements, our audit findings which include; the audit opinion, significant deficiencies in internal controls, materiality and summary of unadjusted differences for the engagement.

Financial Statement Audit Engagement

Our objectives, under a financial statement audit engagement, are to obtain reasonable assurance about whether the financial statements are free from material misstatement, whether due to fraud or error, and issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but it 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.

Under a financial statement audit engagement, we are obliged to report any significant audit findings, including any significant deficiencies in internal control that we identify, under the limitation of a general purpose financial statement audit.

Independent Auditor's Report

The Independent Auditor's Report is a standardized report provided by Canadian generally accepted auditing standards and must always include the following: i) the Auditor's Opinion, ii) the responsibilities of management and those charged with governance for the financial statements, and iii) the Auditor's responsibilities for the audit of the financial statements. The Independent Auditor's Report provides information on these items but we would like to draw your attention to some key items included in the report for the current year.

Audit Opinion

Our Auditor's Opinion provides a few significant items: i) a listing of the reported financial statements (which typically include the statement of financial position, statement of operations, net assets, cash flow, and the notes to the financial statements), ii) the year end date, iii) the financial statement standards used to prepare the statements, and iv) the specific Auditor's Opinion which is normally an unmodified opinion or may, in certain circumstances, be modified based on a specific item or issues noted during the audit.

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Unmodified Opinion

After conducting our audit in accordance with Canadian generally accepted auditing standards we have provided an unmodified audit opinion. This means the summation of unadjusted differences noted during our testing did not result in a material misstatement to the financial statements, nor were we limited in the scope of our testing. An unmodified opinion is generally referred to as a "clean audit opinion".

Significant Audit Findings - including significant deficiencies in internal controls

Canadian generally accepted auditing standards require the Auditor to assess the risks present in an organization which could lead to a material misstatement occurring in the financial statement, whether due to fraud or error.

The Auditor must develop an understanding of the practices and controls an organization has in place to process transactions and report the financial results. The Auditor assesses whether these practices can be relied on to ensure the reported financial statements are free from material misstatement. If these are assessed as not being sufficient then the Auditor looks to obtain additional audit evidence from independent sources to support the reported figures.

Based on our audit testing there were no significant audit findings, significant deficiencies in internal controls, or identified instances of fraud which could result in a material misstatement in the reported financial statements.

Materiality and the Summary of Unadjusted Differences

As stated, the objective of the Auditor is to provide an opinion on whether the financial statements presented are free from "material" misstatement, whether due to fraud or error. Materiality is based on the Auditor's determination of a dollar amount that would impact the decision of a user of the financial statement. We have chosen materiality for the term to be \$60,000. (prior - \$60,000).

The Summary of Unadjusted Differences (SUD) gathers the dollar amount of items noted during our testing that have not been adjusted as they have been determined to not have a material impact on the financial statements. The SUD has three sections 1) estimated differences based on analytical testing, 2) specific identified items noted in current year testing, and 3) specific identified items from the prior year that impact the current year.

Based on our findings, we have reported that your financial statements are presented free from material misstatement, whether due to fraud or error.

Constructive Service Items

Per our mission statement MWC strives to be "an asset to our clients, not an expense". One way we accomplish this is by providing additional insight into items which we noted while conducting the audit engagement. Below are items that we have determined to not be a significant issue at this point in time, but could lead to significant issues if not addressed. Alternatively, they may be our commentary on current practices that we can provide a recommendation for improvement.

Prior year items

We did not see a response to the prior year's Audit Findings letter in the board minutes and so we can only provide commentary on what we have encountered in the current audit to provide you with an update on the issues we noted last year.

Financial reports presented at Admin Committee meetings - (Unresolved)

We had previously recommended that financial reports comparing the actual results to the budget should be presented to the Committee. With the transition to a new Director of HR and Administration, we continue to make this recommendation. We also recommend that if there are any changes to a period already presented to the committee, that the committee is made aware of the changes.

Approval of Credit Card Receipts - (Unresolved)

As in prior year audits, we have noted that the approval was not done on the receipt, but instead on the credit card statement. It is fine to initial the review of the statement too, however it is the actual receipt itself that is more important and we recommend they be initialed for all purchases.

Signing of Admin Committee Meeting Minutes - (Resolved)

We have previously recommended that the Admin Committee Minutes be approved by having two members of the committee physically sign the minutes at the following meeting. We found this has been implemented by the new Director of HR and Administration.

Current year item

The following was noted in our current year examination.

Documentation of Employee Time

Employee's time earned, such as for vacation and EDOs, continues to be tracked on monthly summaries, which we have recommended should be signed by both the employee and their supervisor to show that both parties agree to what is documented as time owing.

During our audit testing we found this policy was not being followed as most summaries we tested were missing either the employee or the supervisor signature, and sometimes had neither. We continue to recommend both the employee and supervisors approve the time summaries every month in order to prevent disputes going forward between staff and the Caucus on time carried forward.

The former Director of HR also kept their own record of booked time of staff on a calendar of her own. We had previously used this as a control record to check the accuracy of the employee's monthly time summaries. We recommend the current Director implement this policy as it will assist her checking the accuracy of these time summaries when they are submitted without approval from the employee or supervisor.

Conclusion

The audit findings report is prepared for the Board of Directors based on the operations of the organization up to the audit report date. Should a change to the operations occur subsequently, we encourage you to contact our office so we can provide timely input on the impact the changes may have on your next audit engagement.

It is recommended that management provide a response to the board of directors with an action plan to address the issues that we have identified in this letter if applicable. We recommend setting dates of implementation to changes in processes that may occur as part of the action plan. This not only establishes when a risk has been dealt with, but it also establishes when corrective action took place when assessing the processes in the subsequent audit.

We would like to thank the management team and the committee for their assistance during the audit and we would be happy to discuss these and any other issues or concerns you may have. And, as always, please contact our office if there are questions that arise during the year.

Thank you,



Clint Ceholski, CPA CA
Partner