



Tel: 807 274 9848  
Fax: 807 274 5142  
www.bdo.ca

BDO Canada LLP  
375 Scott Street  
Fort Frances ON P9A 1H1 Canada

June 23, 2014

Mrs. Laurie Witherspoon, Treasurer  
The Corporation of the Town of Fort Frances  
320 Portage Avenue  
Fort Frances, Ontario  
P9A 3P9

Dear Mrs. Witherspoon:

Re: Management Letter  
The Corporation of the Town of Fort Frances

During the course of our audit of the financial statements of The Corporation of the Town of Fort Frances for the year ended December 31, 2013, we identified matters which may be of interest to management. The objective of an audit is to obtain reasonable assurance whether the financial statements are free of any material misstatement and it is not designed to identify matters that may be of interest to management in discharging its responsibilities. Accordingly an audit would not usually identify all such matters.

The responsibility for producing consolidated financial statements and ensuring adequate internal controls and sound business practices is the responsibility of the Council through management and is a part of management's overall responsibility for the ongoing activities of the Municipality. Policies and procedures developed by the Municipality to safeguard its assets and to provide reasonable assurance that errors and irregularities or illegal acts are promptly identified, must be properly monitored to ensure that all staff are complying with the guidelines provided. Where we determined, from our testing, that there exists a need for improvement in existing systems of internal control or if we detected that the Municipality's staff are not complying with the critical accounting policies and procedures provided by management, we increased our year-end testing of account balances to ensure that audit risk was kept to an appropriate low level.

The comments and concerns expressed herein did not have a material effect on the Municipality's consolidated financial statements and, as such, our opinion thereon was without reservation. However, in order for the Municipality to ensure the safeguarding of its assets and the accuracy of its records, we believe our comments and concerns should be taken into consideration by management. Our comments are not intended to reflect upon the honesty or competence of the Municipality's employees.

The matters we have identified are discussed in the attached appendices.

This communication is prepared solely for the information of management and is not intended for any other purposes. We accept no responsibility to a third party who uses this communication.

We would like to express our appreciation for the cooperation and assistance which we received during the course of our audit from Laurie Witherspoon, Debbie Scofield and all other staff within the administration and treasury departments.

We shall be pleased to discuss with you further any matters mentioned in this report at your convenience.

Yours truly,

Jon Evans, CPA, CA  
Partner



**The Corporation of the Town of Fort Frances**

**Appendix 1**

**Summary of Matters Identified**

**December 31, 2013**

**Review and Approval of Bank Reconciliations**

In order to ensure that bank reconciliations are being accurately completed on a monthly basis, it is important that someone other than the preparer of the reconciliations is reviewing and approving them. While review of the bank reconciliations is likely already being performed, we did not see any formal evidence that the review was completed (e.g. reviewer initials or signature on the reconciliation). Please ensure that the bank reconciliation process is being reviewed and approved by someone other than the preparer on a monthly basis. Evidence of the review and approval should be indicated directly on the bank reconciliation by the signature or initial of the reviewer.