
Re: C816 board communication re: fraud

From Andrew Laundry <acsl61@rogers.com>

Date Wed 2024-10-23 3:45 PM

To 'Angie' <angieacres@live.ca>; 'roy.evans@ymail.com' <roy.evans@ymail.com>; 'Joseph Dilworth' <mastersparky@hotmail.com>; Tasha Peric CMG <tperic@condogroup.ca>

Hi all,

Here's the response to the fraud survey -- I've paraphrased Roy's responses from last year as not much has changed other than our new electronic cheque approval platform. If the board approves, I will forward these responses to Tuan.

What are your views of where the organization is susceptible to fraud?

The board does not have online access to the corporation's bank accounts. The property management company has full control of these accounts and the board members are not fully informed as to how many people in the management company have this access. The board views the bank statements 30 or 60 days after the month end does not have access to the management company's control procedures for banking or accounting. This situation presents a potential risk for fraud.

Do you have any knowledge of any actual, suspected or alleged management or employee fraud that has/is taking place?

I am not aware of any fraudulent activity within the last year. However, about 6 years ago the management company did remove funds from one of the corporation's bank accounts to pay for a fee increase that was not authorized by the board. The board should have been approached for authorization prior to these funds being removed.

How does the Board exercise oversight over management's processes and internal controls for identifying and responding to fraud?

We review the financial statements that are presented to us at each meeting (usually 9 or 10 meetings per year). The statements are usually the previous month but can be two months behind depending on the time of year. Within the statements, we receive copies of the bank statements to review. We don't have any of the controls or procedures of the Property Management company and rely 100% on your audit for this.

Regards, Andrew

On Tuesday, October 22, 2024 at 02:57:30 p.m. EDT, Tasha Peric CMG <tperic@condogroup.ca> wrote:

Good afternoon,

The auditor followed up with me noting that the board fraud survey hadn't been returned yet. Andrew, I believe you were going to draft a response on behalf of the Board.

Kind regards,

Tasha Peric, OLCM
Condominium Property Manager

CMG Condominium Management Group

434 Queen Street, Ottawa, ON K1R 7V7

Tel: 613.237.9519 ext. 139 || Fax: 613.237.3533

After-hours Emergency 613.762.5704



From: Tasha Peric CMG
Sent: Thursday, October 3, 2024 10:51 AM
To: 'Angie' <angieacres@live.ca>; Andrew Laundry <acsl61@rogers.com>; 'roy.evans@ymail.com' <roy.evans@ymail.com>; 'Joseph Dilworth' <mastersparky@hotmail.com>
Subject: FW: C816 board communication re: fraud

Good morning,

As noted during the meeting, the auditor requires a few things from the Board:

- Engagement letter and bank confirmation (attached): These have been dropped off in hard copy to 767 and require signature by one board member.
- Annual fraud survey: See below - One Board member should draft the responses on behalf of the Board. Once approved by the Board, the designated member should send the reply directly to Tuan, the auditor at t1e@ohcd.ca.

Kind regards,

Tasha Peric, OLCM
Condominium Property Manager

CMG Condominium Management Group

434 Queen Street, Ottawa, ON K1R 7V7

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From: Tuan Le <tle@ohcd.ca>
Sent: Tuesday, September 24, 2024 3:00 PM
To: Tasha Peric CMG <tperic@condogroup.ca>
Subject: C816 board communication re: fraud

Hi,

As part of our audit process, we need the Treasurer or a Board member to reply directly to us via email the following questions:

1. What are your views of where the organization is susceptible to fraud?
2. Do you have any knowledge of any actual, suspected or alleged management or employee fraud that has/is taking place?
3. How does the Board exercises oversight over management's processes and internal controls for identifying and responding to fraud?

Thank you.

Tuan T. Le

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