

LEGISLATIVE ASSEMBLY OF THE
NORTHWEST TERRITORIES
8TH ASSEMBLY, 65TH SESSION

TABLED DOCUMENT NO. 19-65

TABLED ON May 18, 1978

T.D 19-65
Tabled May 18/78

FROMENT & CO

CHARTERED ACCOUNTANTS
3RD FLOOR GALLERY BUILDING
P.O. BOX 727
YELLOWKNIFE, N.W.T. X0E 1H0
920-4404

AUDITORS' REPORT

To the Commissioner of
The Northwest Territories

We have examined certain of the accounting records of the Government of the Northwest Territories for the period from September, 1976 to March, 1978 for the purposes of determining any evidence of fraud, irregular transactions or other deficiencies within the Accounts Payable Section, Financial Services Division, Department of Finance. Our examination was made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

Our examination included:

- 1) A review of imprest disbursements for the months of October, 1977, December, 1977, and January, 1978, and other selected imprest disbursements within the period June 1, 1977 to February 28, 1978.

- 2) The reconciliation of travel advances and refunds for four major departments and one minor department for the period May 1, 1976 to February 28, 1978 and a review of related travel claims and supporting documentation.

- 3) A review of journal vouchers initiated by the Accounts Payable Section for the period April 1, 1977 to January 31, 1978.
- 4) A review of the following for the months of September, 1977 to February, 1978:
 - a) cheque registers,
 - b) lists of outstanding cheques,
 - c) lists of unmatched paid cheques,
 - d) bank reconciliations for imprest and computer bank accounts, and
 - e) selected paid and voided cheques.
- 5) A review of paid invoice listings covering the period from April 1, 1976 to February 28, 1978.
- 6) A review of master lists of government service numbers and related documentation for additions, changes and deletions.
- 7) A review of various manual internal controls and other documentation in the Accounts Payable Section.

Within the scope of our examination, we have determined the following:

- 1) Cheques with irregularities and imprest batches made up or altered, with certain of the pertinent documentation not available in the Accounts Payable Section:

<u>Month</u>	<u>Batch</u>	<u>Cheque</u>	<u>Amount</u>
July, 1977	11599	A04248	\$ 790.00
October, 1977	11071	A13078	900.00
December, 1977	11405	A16435	900.00
January, 1978	11592	A16880	<u>2,495.00</u>
			<u>\$5,085.00</u>

- 2) Unaccounted for travel refunds, with certain of the pertinent documentation not available in the Accounts Payable Section.

<u>Month</u>	<u>Claim</u>	<u>Amount</u>
January, 1977	35149	\$ 74.00
January, 1977	77515	194.19
February, 1977	77405	651.08
June, 1977	43907	69.48
June, 1977	79539	<u>14.00</u>
		<u>\$1,002.75</u>

All the above items appeared on a list previously supplied to the Royal Canadian Mounted Police. No other items appeared on that list.

In our opinion, subject to the scope of our examination, we have carried out adequate audit procedures for discovery of fraud within the Accounts Payable Section, Financial Services Division, Department of Finance, and we recommend that the audit be concluded.



Chartered Accountants

May 5, 1978

Yellowknife, Northwest Territories.