

The Royal Canadian Legion – Saskatchewan Command

**Audit Completion Report to the
Executive Council and Management**

**Annual Financial Statements
December 31, 2022**

To: Carol Pedersen, President, Executive Council
Members, Executive Council
Chad Wagner, Executive Director



The Royal Canadian Legion – Saskatchewan Command - 2022 Audit Completion Report

Purpose of this Report: To provide the Executive Council and Management information for consideration in the approval of the annual general purpose financial statements and to address certain communication requirements of the auditor.

GENERAL

We have substantially completed the audit of the annual financial statements of **The Royal Canadian Legion – Saskatchewan Command** for the year ended December 31, 2022, in accordance with Canadian auditing standards.

The annual audit process involved four phases:

- a) Organizational level control - review and evaluation,
- b) Control systems and procedures - review and evaluation,
- c) Substantive procedures - examination, on a test basis, of documentation and other evidence supporting the financial transactions and balances reflected in the financial statements, and
- d) Overall review of the financial disclosures contained in the financial statements, including the appropriateness and completeness of the notes.

This report summarizes matters to be communicated that arise from audit execution. We have communicated with the Executive Council regarding our responsibilities under Canadian auditing standards and matters related to planning the audit. We have, in all significant respects, executed our work in accordance with that plan as per our audit engagement letter including planning considerations. Materiality for planning purposes was \$25,000.

In addition to the independence letter issued to you on December 16, 2022, we confirm that we are not aware of any relationships between the Organization and Virtus Group LLP that, in our professional judgment, may reasonably be thought to bear on our independence.

We have discussed our detailed findings and observations with management. There were no matters that, in our judgment, constituted a reportable matter to the Executive Council.

MATTERS ARISING FROM AUDIT EXECUTION

Matters resulting from auditor responsibility to consider fraud and error, illegal or possibly illegal acts

No matters were identified. **We request that Executive Council confirm to us, that Council is not aware of any actual, suspected or alleged instances of fraud within the Organization.** If Council is aware of any instances, please provide details.

Matters resulting from auditor responsibility to consider laws and regulations

No matters were identified. **We request that Executive Council confirm to us, that Council is not aware of any instances of non compliance with laws or regulations within the Organization.** If Council is aware of any instances, please provide details.

Matters resulting from assessment of internal controls

No matters were identified that, in our judgment, significantly impact approval of the financial statements.

Considerations regarding related party transactions not in the normal course of operations and involving significant management judgment concerning accounting

No matters were identified.

**SIGNIFICANT
ISSUES,
JUDGMENTS AND
QUALITATIVE
MATTERS
AFFECTING
FINANCIAL
REPORTING**

We did not identify any significant issues, judgments or other matters affecting the financial statements during the course of the audit.

As in previous years, poppy revenue continues to be recorded as it is received, which is effectively in the second fiscal period after the campaign. This is consistent with the Organization's accounting policy.

**SUMMARY OF
ADJUSTED &
UNADJUSTED
ITEMS**

We did not identify any unadjusted errors in the financial statements.

During the course of the audit, 13 adjusting journal entries were made to balance opening retained earnings, record investment transactions, amortization, membership revenues, and adjust various accounts to actual. The net impact of the entries was a decrease to assets of \$77,700, a decrease to liabilities of \$2,500, a decrease to net assets of \$300 and a decrease to net revenue over expenses of \$74,900. Management has reviewed and approved these entries.

Canadian auditing standards require the auditor to obtain written representations from Management and, where appropriate, those charged with governance regarding their responsibility for the financial statements and knowledge of the matters concerned herein. We will request that a representation letter be signed and returned to us.

**OTHER AUDIT
REPORTS**

We have performed audit procedures regarding the Statement of Revenues and Expenses for the Veterans Service Club Support Program. Once Council approves this statement, we intend to issue an unmodified audit opinion on this report.

**FINANCIAL
REPORTING**

Management prepares the general purpose financial statements and we provide additional comments for management's consideration.

We noted no significant exceptions related to management's selection, application or disclosure of accounting policies.

The Royal Canadian Legion – Saskatchewan Command - 2022 Audit Completion Report

Significant transactions and activities appear to be fairly described in the financial statements. We have assessed the financial statement disclosures for overall neutrality, consistency and clarity.

We did not identify any events or conditions that cast doubt on the Organization's ability to continue as a going concern.

Management is responsible for assessing subsequent events up to the date of the release of the financial statements. We are not aware of any significant subsequent events requiring financial statement disclosure at this time. **We request that Executive Council consider the period subsequent to year end and disclose any issues.**

ACCOUNTING ESTIMATES

Financial statement preparation requires management to make estimates and assumptions that affect the amounts reported and disclosed in the annual financial statements. There were no significant estimates made by management.

RELATIONS WITH MANAGEMENT

No difficulties were encountered. Management and staff were helpful and responsive to our requests for information.

CONCLUDING COMMENTS

For the purposes of Executive Council approval of the financial statements, we are aware of no significant outstanding audit issues that, in our judgment, impair our ability to issue our modified (for completeness of revenues) report on the annual financial statements.

The nature of items herein noted together with the status of management's current consideration of these items, as we understand it, indicates that a formal response appears to not be required. Further, in our judgment, there are no particular actions required of the Executive Council relating to the contents of this report.

The co-operation and assistance provided by your management and staff during our audit is appreciated.

Thank you for the opportunity to be of service to The Royal Canadian Legion – Saskatchewan Command.

Respectfully submitted,
Virtus Group LLP



Sheila Filion, CPA, CA
Partner, Assurance Services

