



BOARD OF DIRECTORS

MEETING MATERIALS FOR
OCTOBER 28, 2024

Board of Directors Meeting
Monday October, 28, 2024 1:00 pm ET Via Zoom

Board of Directors

Stan Belevici, RCIC-IRB (Chair)
 John Burke, RCIC (Vice Chair)
 Marty Baram, RCIC
 Normand Beaudry
 Tim D’Souza
 Richard Dennis, RCIC
 Jennifer Henry
 Ben Rempel
 Jyoti Singh

Ministerial Observer

Peter Christensen, Assistant Director, Admissibility, Immigration, Refugees and Citizenship Canada

Guests

Lynn Stivaletti, Principal, Doane Grant Thornton LLP
 Kashif Khan, Manager, Doane Grant Thornton LLP

Management

John Murray, President & CEO
 Russ Harrington, Chief Operating Officer
 Jessica Freeman, Director, Communications and Stakeholder Relations
 Laura Halbert, Director, Professional Conduct
 Cathy Pappas, Director, Registration
 Beata Pawlowska, Director, Professional Standards, Research, Education & Policy
 Victoria Rumble, Corporate Secretary
 Joyce Chow Ng, Controller
 Fiona Damani, Assistant Controller

Nithiya Paheerathan, Coordinator, Board Administration and Recording Secretary

PROPOSED AGENDA				
#	Time	Topic	Presenter	A/D
1	1:00 2 mins	Welcome and Introductory Remarks a) Land Acknowledgement b) Introductions c) Conflict of Interest	Stan Belevici John Murray	Discussion
2	1:02 1 min	Approval of Proposed Agenda	Stan Belevici	Approval (motion)
Sustainability				
3	1:03 47 mins	Draft Audited Annual Financial Statements and Draft Auditors’ Report Tab A Draft Audited Annual Financial Statements Tab B Draft Audit Results Report	Tim D’Souza Lynn Stivaletti Kashif Khan	Approval (motion)
General Information				
4	1:50 5 mins	Next meeting of the Board of Directors and AGM Date: December 5, 2024 Location: Laval, QC	Stan Belevici	Discussion

In Camera Session - Meeting Closed to the public

5	2:00	Termination	Stan Belevici	Approval (motion)
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MEMORANDUM

To: **Board of Directors**
From: **Tim D'Souza, Chair, Finance and Audit Committee**
Re: **Agenda item 3 – Approval of Draft Audited Annual Financial Statements**
Date: **October 28, 2024**

Summary:

Draft audited financial statements for year ended June 30, 2024, have been prepared by Doane Grant Thornton. The Finance and Audit Committee (FAC) recommends the draft audited financial statements be approved by the Board.

Requested Action:

THAT:

- [1] the draft audited financial statements of the College for the year ended June 30, 2024, together with the Independent Auditors Report thereon, each in the form presented to the Board, be and are hereby approved; and
- [2] the Chair of the Board and the Chair of the FAC be and are hereby authorized to sign the Statement of Financial Position forming part of such financial statements to evidence such approval.

Discussion/Analysis:

The FAC met on October 2, 2024, to review the draft audited financial statements for the College. These statements were presented by Lynn Stivaletti and Kashif Khan during the meeting.

Doane Grant Thornton, a firm of Chartered Professional Accountants and Licensed Public Accountants, served as the College's public accountants. They conducted a virtual examination of relevant documents for the period in question and prepared the Independent Auditor's Report, along with the audited financial statements and related documents.

Based on their review, FAC is recommending that the Board of Directors approve the audited financial statements. This recommendation comes after a thorough examination of the financial documents and discussions held during the October 2, 2024 meeting.



References:

Tab A – Draft Audited Annual Financial Statements

Tab B – Draft Audit Results Report

Financial Statements

College of Immigration and Citizenship
Consultants

June 30, 2024

DRAFT

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Independent Auditor's Report

To the Board of Directors of
College of Immigration and Citizenship Consultants

Opinion

We have audited the financial statements of College of Immigration and Citizenship Consultants (the "College"), which comprise the statement of financial position as at June 30, 2024, and the statements of changes in net assets, operations and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the College as at June 30, 2024, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the College in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other matter

The financial statements of the College for the year ended June 30, 2023 were audited by Goodman Mintz, LLP who expressed an unmodified opinion on those financial statements on September 28, 2023. The partners and staff of Goodman Mintz, LLP joined Grant Thornton LLP on January 1, 2024.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the College's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the College or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the College's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but 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. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the College's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the College to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Markham, Canada
Date

Chartered Professional Accountants
Licensed Public Accountants

College of Immigration and Citizenship Consultants Statement of Financial Position

June 30

2024

2023

Assets

Current

Cash	\$ 16,310,124	\$ 14,499,235
Short term investments (Note 3)	18,711,015	13,655,426
Accounts receivable	117,662	183,078
Prepaid expenses	<u>538,862</u>	<u>474,844</u>
	35,677,663	28,812,583

Capital assets (Note 4)

	<u>1,641,390</u>	<u>293,030</u>
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	<u>\$ 37,319,053</u>	<u>\$ 29,105,613</u>
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Liabilities

Current

Accounts payable and accrued liabilities (Note 5)	\$ 2,256,926	\$ 1,962,103
Deferred revenue	<u>7,246,787</u>	<u>122,729</u>
	<u>9,503,713</u>	<u>2,084,832</u>

Net assets

Unrestricted	20,573,950	19,796,576
Invested in Capital Assets	1,641,390	293,030
Reserve for Transition to College	-	885,811
Reserve for IT Infrastructure Development	-	745,364
Reserve for Directors' and Officers' and Immunity from Civil Liability Coverage	4,000,000	4,000,000
Reserve for Professional Conduct	<u>1,600,000</u>	<u>1,300,000</u>
	<u>27,815,340</u>	<u>27,020,781</u>
	<u>\$ 37,319,053</u>	<u>\$ 29,105,613</u>

Commitments (Note 7)

On behalf of the Board

_____ Director

_____ Director

College of Immigration and Citizenship Consultants Statement of Changes in Net Assets

Year ended June 30

	Unrestricted	Invested in Capital Assets	Reserve for Transition to College	Reserve for IT Infrastructure Development	Reserve for Directors' and Officers' and Immunity from Civil Liability Coverage	Reserve for Professional Conduct	Total 2024	Total 2023
Balance, beginning of year	\$ 19,796,576	\$ 293,030	\$ 885,811	\$ 745,364	\$ 4,000,000	\$ 1,300,000	\$ 27,020,781	20,784,077
Excess (deficiency) of revenues over expenditures	1,132,358	(337,799)	-	-	-	-	794,559	6,236,704
Capital asset additions, net of disposal	(1,686,159)	1,686,159	-	-	-	-	-	-
Interfund transfers	1,331,175	-	(885,811)	(745,364)	-	300,000	-	-
Balance, end of year	\$ 20,573,950	\$ 1,641,390	\$ -	\$ -	\$ 4,000,000	\$ 1,600,000	\$ 27,815,340	27,020,781

College of Immigration and Citizenship Consultants

Statement of Operations

Year ended June 30

2024

2023

Revenues

Licensee fees	\$ 22,192,932	\$ 21,341,150
Interest income	1,795,097	1,146,846
Examination fees	719,435	945,434
Other income	474,907	260,017
Specialization program fees	328,240	725,350
Mentoring program fees	900	277,305
	<u>25,511,511</u>	<u>24,696,102</u>

Expenditures

Salaries and benefits	13,979,520	10,609,464
Information technology	3,305,211	2,299,797
Professional conduct and discipline	1,023,544	765,930
Professional fees	901,038	1,009,935
Interest and bank charges	808,879	597,286
Communication and stakeholder relation	763,435	699,331
Bad debts (recovered)	712,164	(169,323)
Rent	649,616	637,997
Office and general	603,152	410,758
Professional standards, research and education	518,139	494,637
Governance (Note 6)	421,870	442,855
Amortization	337,799	115,230
Registration and examination	320,550	216,257
Insurance	231,840	203,294
Travel, meals and accommodation	134,740	125,950
Loss on disposal of capital assets	5,455	-
	<u>24,716,952</u>	<u>18,459,398</u>

Excess of revenues over expenditures

\$ 794,559

\$ 6,236,704

College of Immigration and Citizenship Consultants

Statement of Cash Flows

Year ended June 30

2024

2023

Increase (decrease) in cash

Operating

Excess of revenues over expenditures	\$ 794,559	\$ 6,236,704
Items not affecting cash		
Amortization	337,799	115,230
Loss on disposal of capital assets	<u>5,455</u>	<u>-</u>
	1,137,813	6,351,934
Change in non-cash working capital items		
Accounts receivable	65,416	(31,493)
Prepaid expenses	(64,018)	(121,076)
Accounts payable and accrued liabilities	294,823	1,071,070
Deferred revenue	<u>7,124,058</u>	<u>(75,771)</u>
	<u>8,558,092</u>	<u>7,194,664</u>

Investing

Purchase of investments (net)	(5,055,589)	(6,201,403)
Purchase of capital assets	<u>(1,691,614)</u>	<u>(165,916)</u>
	<u>(6,747,203)</u>	<u>(6,367,319)</u>

Increase in cash

1,810,889 827,345

Cash

Beginning of year	<u>14,499,235</u>	<u>13,671,890</u>
End of year	<u>\$ 16,310,124</u>	<u>\$ 14,499,235</u>

College of Immigration and Citizenship Consultants

Notes to the Financial Statements

June 30, 2024

1. Nature of operations

College of Immigration and Citizenship Consultants ("CICC" or the "College") is the national regulatory and licensing body for individuals who practice as a Canadian immigration / citizenship consultant for a fee, as well as international student advisors.

The Immigration Consultants of Canada Regulatory Council (the "Council") was a not-for-profit organization incorporated without share capital on February 18, 2011 under the *Canada Not-For-Profit Corporations Act*. On November 23, 2021 the Council was continued as the College under the *College of Immigration and Citizenship Consultants Act* ("College Act"). The College is exempt from income tax under section 149(1)(l) of the *Income Tax Act*.

The College operates as a financially self-funding and self-sustaining not-for-profit organization that relies on licensee fees and is an entity without transferable ownership interests. The College is organized and operates exclusively for social, educational, professional and other not-for-profit purposes. The Annual General Meeting (AGM) is held each year and every active licensee has the right to attend.

CICC's mandate is as follows:

- Promoting and protecting the public interest by governing and regulating the practice of individuals and firms as immigration and citizenship practitioners;
- Establishing entry-to-practice education requirements;
- Licensing professionals – Regulated Canadian Immigration Consultants (RCICs) and Regulated International Student Immigration Advisors (RISIAs);
- Overseeing the professional development and conduct of its licensees;
- Receiving, investigating and adjudicating complaints against its licensees; and
- Administering a disciplinary process to sanction its licensees whose professional development and conduct fail to meet CICC's standards.

Transition to College

Pursuant to the College Act, the College is currently governed by a transitional Board of Directors which oversees the approval of the initial College By-laws and other procedures. This transitional period will end when the Minister issues a final order setting the number and composition of the final College Board of Directors and prescribes a date by which the new Board must be in office.

The College has enhanced powers to regulate the immigration consulting profession in the public interest, including new authority to investigate and pursue unauthorized practitioners. These changes support better protection of Canadians, newcomers, and licensed immigration consultants. Obtaining the statutory authority to regulate itself under the College Act marks a key milestone in the development and regulation of the profession.

The College Act requires the establishment of a fund to compensate persons who have been adversely affected by the conduct or activities of a licensee. At the date of these financial statements the compensation fund has not yet been established by the Ministry of Immigration, Refugees and Citizenship Canada.

2. Significant accounting policies

The College Act, under which the Organization was continued, provides the Minister (as defined in the College Act) with certain rights related to the Organization's board. Management obtained an opinion from independent external legal counsel on whether the Organization is controlled by the government and the appropriate application of accounting standards. Based on this legal opinion, the Organization reports in accordance with Accounting Standards for Not-for-Profit Organizations (ASNPO). The significant accounting policies are detailed as follows:

Basis of presentation

For financial statement purposes, the accounts of the College have been classified into the following funds:

Invested in Capital Assets

Invested in Capital Assets represents the assets, liabilities, revenue and expenses related to the College's capital assets, including acquisitions and dispositions.

Reserve for Transition to College

The internally restricted Reserve for Transition to College was established by the Board of Directors to provide support for the transition of the former Council to the College.

Reserve for IT Infrastructure Development

The internally restricted Reserve for IT Infrastructure Development was established by the Board of Directors to provide support for review and upgrade of the information technology ("IT") infrastructure.

Reserve for Directors' and Officers' and Immunity from Civil Liability Coverage

The internally restricted Reserve for Directors' and Officers' and Immunity from Civil Liability Coverage was established by the Board of Directors to self-fund or provide additional D&O insurance coverage and to provide protection from civil litigation.

Reserve for Professional Conduct

The internally restricted Reserve for Professional Conduct was established by the Board of Directors to provide support for estimated future expenses associated with discipline cases. Such amounts are to be adjusted for the estimated amount at each fiscal year end of June 30th thereafter. At June 30, 2024 management has adjusted this amount to be \$1.6 million.

Unrestricted

Assets, liabilities, revenues and expenses relating to all other activities are reported in the Unrestricted Fund.

Revenue recognition

Non-refundable licensee fees are deferred and recognized as revenue over the term of the licensed period.

Examination and program revenue, cancellation fees and other income are recognized when services are performed and collection is reasonably assured. Interest income is recognized when earned.

Capital assets

Capital assets are recorded at cost less, where applicable, any accumulated amortization and impairment losses. Amortization is charged to expenditures on straight line basis over the estimated useful life of the asset on the following basis:

Computer equipment	3 years
Office equipment	3 years
Furniture and fixtures	5 years
Leasehold improvements	5 years
Information and communication technology equipment	7 years

The College reviews capital assets for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable. When indicators of impairment exist, and the carrying value is greater than the net recoverable amount, an impairment loss is recognized to the extent that fair value is below carrying value.

Financial instruments

The College considers any contract creating a financial asset, liability or equity instrument as a financial instrument, except in certain limited circumstances. The College accounts for the following as financial instruments:

- cash
- short term investments
- accounts receivable
- accounts payable

Financial assets or liabilities are initially measured at their fair value when issued or acquired. Fair value is the amount of consideration that would be agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act. The College subsequently measures all of its financial assets and financial liabilities at amortized cost (less impairment in the case of financial assets).

For financial assets measured at cost or amortized cost, the College regularly assesses whether there are any indications of impairment. If there is an indication of impairment, and the College determines that there is a significant adverse change in the expected timing or amount of future cash flows from the financial asset, it recognizes an impairment loss in the statement of operations. Any reversals of previously recognized impairment losses are recognized in operations in the year the reversal occurs.

Use of estimates

The preparation of financial statements in accordance with ASNPO requires management to make estimates and assumptions that affect the recognition, measurement and disclosure of amounts reported in the financial statements and accompanying notes. The reported amounts and note disclosures are determined using management's best estimates based on assumptions that reflect the most probable set of economic conditions and planned course of action. Significant estimates include the valuation of accounts receivable and estimated useful life of capital assets. Actual results may differ from such estimates.

3. Short term investments

	<u>2024</u>	<u>2023</u>
GICs	\$ 18,711,015	\$ 12,544,515
Term deposit	<u>-</u>	<u>1,110,911</u>
	<u>\$ 18,711,015</u>	<u>\$ 13,655,426</u>

Investments consist of guaranteed investment certificates (GICs) bearing interest between 4.95% to 5.90% (2023 – 2.45% to 5.27%) and maturing between July 8, 2024 and April 16, 2025 (2023 – between July 6, 2023 and March 4, 2024). Investments also included term-deposits bearing interest at 4.6% matured during the year on September 27, 2023.

4. Capital assets

	<u>2024</u>	<u>2023</u>		
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Computer equipment	\$ 401,285	\$ 235,427	\$ 165,858	\$ 270,245
Office equipment	184,359	19,036	165,323	434
Furniture and fixtures	205,356	29,238	176,118	13,356
Leasehold improvements	1,260,102	126,011	1,134,091	-
Information and communication technology equipment	<u>46,018</u>	<u>46,018</u>	<u>-</u>	<u>8,995</u>
	<u>\$ 2,097,120</u>	<u>\$ 455,730</u>	<u>\$ 1,641,390</u>	<u>\$ 293,030</u>

5. Accounts payable and accrued liabilities

Included in accounts payable and accrued liabilities are government remittances payable of \$Nil (2023 - \$Nil).

6. Governance

The Board of Directors is responsible for providing governance oversight to management in the affairs of the College. The Board consists of 9 directors, 5 of whom were appointed by the Minister of Immigration, Refugees and Citizenship Canada and 4 who were elected to the Council Board and continued to the College Board. Board and Committee Members are compensated as follows:

- Board Chair - \$2,000 per month.
- Board Vice Chair - \$700 per month.
- Directors - \$80 per hour for attending Board meetings; \$50 per hour for attending Committee and task force meetings to a maximum of \$1,809 for one year.
- Committee members who are not Directors are compensated at a rate of \$50 per hour to a maximum of \$1,809 for one year.

Governance expense consists of the following:

	<u>2024</u>	<u>2023</u>
Directors' fees	\$ 95,533	\$ 80,618
Board meetings and travel	<u>326,337</u>	<u>362,237</u>
	<u>\$ 421,870</u>	<u>\$ 442,855</u>

7. Commitments

Future minimum annual commitments under operating leases for premises are approximately as follows:

2025	\$ 301,147
2026	310,081
2027	310,081
2028	310,081
2029	<u>129,924</u>
	<u>\$ 1,361,314</u>

8. Financial instruments

The College is exposed to various risks through its financial instruments. The following analysis provides a measure of the College's risk exposures and concentrations at June 30, 2024.

(a) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The College's main credit risks relate to its accounts receivable. Accounts receivable is shown net of an allowance for doubtful accounts of \$1,952,291 (2023 - \$914,497).

(b) Liquidity risk

Liquidity risk is the risk that the College will encounter difficulty in meeting the obligations associated with its financial liabilities. Liquidity risk includes the risk that, as a result of operational liquidity requirements, the College will not have sufficient funds to settle transactions on the due date; will be forced to sell financial assets at a value which is less than what they are worth; or may be unable to settle or recover a financial asset. Liquidity risk arises from accounts payable.

The College continues to focus on maintaining adequate liquidity to meet operating working capital requirements and capital expenses. The College prepares budgets and cash flow forecasts to ensure it has sufficient funds to fulfil its obligations.

(c) Market risk

Market risk is the risk that the fair value or expected future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The College is mainly exposed to interest rate risk.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The College is exposed to interest rate risk on its short term investments and manages this risk by investing in low risk instruments like GICs.

9. Comparative figures

Certain comparative figures have been reclassified from those previously presented to conform to the presentation of the 2024 financial statements.

College of Immigration and Citizenship Consultants

For the year ended June 30, 2024

Report to the Finance and Audit Committee
Audit results

October 2, 2024

Lynn Stivaletti, CPA, CA
Principal
T 416 360 4961
E Lynn.Stivaletti@ca.gt.com

Kashif Khan, CPA, ACA (Pak)
Manager
T 416 360 4091
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Appendices

Appendix A – Draft Management representation letter

Executive summary

Purpose of report and scope

The purpose of this report is to engage in an open dialogue with you regarding our audit of the financial statements of College of Immigration and Citizenship Consultants (the "Organization") for the year ended June 30, 2024. This communication will assist Finance and Audit Committee (the "Committee") in understanding the results of audit procedures and includes comments on misstatements, significant accounting policies, sensitive estimates and other matters.

The information in this document is intended solely for the information and use of the Board of Directors (the "Board"), the Committee and management. It is not intended to be distributed or used by anyone other than these specified parties.

We were engaged to provide the following deliverables:

Deliverable

Communication of audit strategy

Communication of audit results

Independent auditor's report on the June 30, 2024 financial statements

Tax returns – T2 and T1044

Status of our audit

We have substantially completed our audit of the financial statements of the Organization and the results of that audit are included in this report.

We will finalize our report upon resolution of the following items:

- Receipt of signed management representation letter "MRL" (a draft has been attached in the Appendix A);
- Approval of the financial statements by the Board;
- Response from the Organization's legal counsel to be dated within five days of when the financial statements are approved by the Board; and
- Procedures regarding subsequent events up to the date of the financial statements are approved by the Board.

We have successfully executed our audit strategy in accordance with the plan presented to the "Committee" on May 16, 2024.

Independence

We confirm that there have been no changes to our status with respect to independence since we confirmed our independence to you on May 16, 2024.

Audit risks and results

Audit risks

Area of risk	Why there is a risk	Our response and findings
<p>Management override of internal controls</p>	<p>This risk results from the ability of management to override internal controls.</p>	<ul style="list-style-type: none"> • Discussed the risk of fraud with the engagement team including how fraud is most likely to occur • Tested the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements • Reviewed accounting estimates for biases • Evaluated the rationale (or lack thereof) for significant transactions that are or appear to be outside the normal course of operations • Walkthrough of controls over the associated processes <p>Our findings: <i>No matters of concern were noted.</i></p>
<p>Revenue recognition</p>	<p>There is a presumed risk of fraud in revenue. The risk primarily relates to the inherent bias in not-for-profit organizations to manage to budget.</p>	<ul style="list-style-type: none"> • Walkthrough of key processes over revenue and receivables • Reviewed revenue recognition policies • Performed reasonability calculation of the fee revenue • Performed test of details of on a sample basis • Performed analytical review of revenue balances compared to prior year and budget, following up on any unusual or significant variances. • Tested accounts receivable balances on a sample basis • Reviewed allowance for doubtful accounts for reasonableness <p>Our findings: <i>No matters of concern were noted.</i></p>

Area of risk	Why there is a risk	Our response and findings
<p>Completeness, occurrence and accuracy of expenses, payables and accrued liabilities</p>	<p>The risk primarily relates to the inherent bias in not-for-profit organizations to manage to budget</p>	<ul style="list-style-type: none"> • Walkthrough of key processes • Performed a search for unrecorded liabilities • Performed analytical review of expense balances compared to prior year and budget, following up on any unusual or significant variances • Performed test of details on expenses to source document completed on a sample basis • Performed test of details on salaries, wages and benefits expenses on a sample basis <p>Our findings: <i>No matters of concern were noted.</i></p>

Other findings from the audit

The following is a summary of areas of focus, and the related matters and findings we would like to communicate to the “Committee”.

Area of focus	Matter	Our response and findings
Accounting framework	The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO). GT believes that the facts indicate that the Organization may be controlled by the government and if so, would be required to report under Public Sector Accounting Standards (PSAS), however, GT is willing to accept the Organization continue to report under ASNPO on the basis that there are no significant accounting differences (other than sick-leave accrual) between PSAS for Government controlled NPOs and ASNPO.	Reporting under ASNPO is acceptable subject to following conditions: <ul style="list-style-type: none"> - The Organization includes disclosure in the financial statements indicating that management does not believe that the Organization is controlled by Government and as a result it reports in accordance with ASNPO. - The control conclusion is included as a point in the MRL. - If in the future there are substantial accounting differences or changes in circumstances (due to change in operations, guidance changes in either PSAS or ASNPO), the current conclusion regarding the framework applied by the Organization may need to be reassessed.
Accounting estimates	The preparation of financial statements in accordance with ASNPO requires management to make estimates and assumptions that affect the amounts reported in the financial statements. The estimates made by management relate to amortization period for the capital assets, allowance for doubtful accounts receivable and certain accruals.	Allowance for doubtful accounts receivable at year end is \$1.95 million (2023: 0.91 million). Management believes their estimates are appropriate and we concur with management’s view.
Fraud and illegal acts	Our audit procedures were performed for the purpose of forming an opinion of the financial statements and although these procedures might bring possible fraudulent or illegal activities to our attention, our audit procedures are less likely to detect material misstatements arising from fraud or other illegal acts because such acts are usually accompanied by acts designed to conceal their existence.	We did not detect any fraudulent or illegal activities, or material misstatements resulting from fraudulent or illegal activities during our audit. In addition, our inquiries of management did not reveal any fraud or illegal acts.
Litigation proceedings	We are required to examine legal costs incurred in the year to verify that there are not any contingent liabilities that could have an effect today and in the future of the Organization’s financial results.	We are in the process of communicating with the Organization’s legal counsel. Based on management’s representations and our audit work, we are aware of few claims against the Organization which are either in the process of settlement or have been settled and are waiting the dismissal order. They are not expected to result in any liability to the Organization based on management’s representation. Should a claim or possible claim be identified by the Organization’s legal counsel, we will inform the Committee accordingly.

Adjustments and difference between ASNPO and PSAS

Adjustments

During the audit, following adjustments have been made:

Description	Statement of financial position			Statement of operations	
	Assets	Liabilities	Net Assets	Excess of revenue over expenses	
Reversal of AR and deferred revenue for billings made on June 1, 2024	\$(16,683,429)	\$(16,683,429)	\$ -	\$ -	\$ -
Reversal of unpaid invoices recorded as pre-paid	(91,711)	(91,711)	-	-	-
Total adjustments	\$(16,775,140)	\$(16,775,140)	\$ -	\$ -	\$ -

Difference between ASNPO and PSAS

Description	Statement of financial position			Statement of operations	
	Assets	Liabilities	Net assets	Excess of revenue over expenses	
Sick leave accrual - ASNPO vs PSAS	\$ -	\$ 311,944	\$ -	\$ (311,944)	

Management has calculated the estimated sick leave amount that would be recorded as an accrued liability under the PSAS accounting framework.

This accrual has not been recorded in the accounts as CICC reports under the ASNPO accounting framework. The calculation was performed to illustrate that there are no material differences between the accounting frameworks.

Summary of disclosure matters

Our audit did not identify any unadjusted non-trivial misstatements of disclosure matters.

Other reportable matters

Internal control

The audit is designed to express an opinion on the financial statements. We obtain an understanding of internal control over financial reporting to the extent necessary to plan the audit and to determine the nature, timing and extent of our work. Accordingly, we do not express an opinion on the effectiveness of internal control.

If we become aware of a deficiency in your internal control over financial reporting, the auditing standards require us to communicate to the “Committee” those deficiencies we consider significant. However, a financial statement audit is not designed to provide assurance on internal control.

Based on the results of our audit, we identified the following reportable observations:

Findings	Matter	Our response and findings
Journal entry review	Although the Organization has control and policies in place, we noted that there is no formal documentation of review and approval of the journal entries.	We recommend that the Organization implement formal documentation of the review of journal entries. Evidence of review could include initials, signatures or emails confirming approvals.

Technical updates

Accounting and assurance standards update

There have been no significant changes in accounting and assurance standards since our report dated May 16, 2024 that would impact the current year's financial statements.

Appendix A – Draft management representation letter

Management Representation Letter

October 28, 2024

Doane Grant Thornton LLP
Unit 400
123 Commerce Valley Drive East
Markham, ON L3T 7W8

Dear Sir/Madam:

We are providing this letter in connection with your audit of the financial statements of College of Immigration and Citizenship Consultants ("the College") as of June 30, 2024, and for the year or period then ended, for the purpose of expressing an opinion as to whether the financial statements present fairly, in all material respects, the financial position, results of operations, and cash flows of College of Immigration and Citizenship Consultants in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

We acknowledge that we have fulfilled our responsibilities for the preparation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO) and for the design and implementation of internal controls to prevent and detect fraud and error. We have assessed the risk that the financial statements may be materially misstated as a result of fraud, and have determined such risk to be low. Further, we acknowledge that your examination was planned and conducted in accordance with Canadian generally accepted auditing standards (GAAS) so as to enable you to express an opinion on the financial statements. We understand that while your work includes an examination of the accounting system, internal controls and related data to the extent you considered necessary in the circumstances, it is not designed to identify, nor can it necessarily be expected to disclose, fraud, shortages, errors and other irregularities, should any exist.

Certain representations in this letter are described as being limited to matters that are material. An item is considered material, regardless of its monetary value, if it is probable that its omission from or misstatement in the financial statements would influence the decision of a reasonable person relying on the financial statements.

We confirm, to the best of our knowledge and belief, as of October 28, 2024, the following representations made to you during your audit.

Financial statements

1. The financial statements referred to above present fairly, in all material respects, the financial position of the College as at June 30, 2024 and the results of its operations and its cash flows for the year or period then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO), as agreed to in the terms of the audit engagement.

Completeness of information

2. We have made available to you all financial records and related data and all minutes of the meetings of directors, and committees of directors, as agreed in the terms of the audit engagement. Summaries of actions of recent meetings for which minutes have not yet been prepared have been provided to you. All significant board and committee actions are included in the summaries.

3. We have provided you with unrestricted access to persons within the College from whom you determined it necessary to obtain audit evidence.
4. There are no material transactions that have not been properly recorded in the accounting records underlying the financial statements. The adjusting journal entries which have been proposed by you are approved by us and will be recorded on the books of the College.
5. There were no restatements made to correct a material misstatement in the prior period financial statements that affect the comparative information.
6. We are unaware of any known or probable instances of non-compliance with the requirements of regulatory or governmental authorities, including their financial reporting requirements.
7. We are unaware of any violations or possible violations of laws or regulations the effects of which should be considered for disclosure in the financial statements or as the basis of recording a contingent loss.
8. We have disclosed to you all known deficiencies in the design or operation of internal control over financial reporting of which we are aware.
9. We have identified to you all known related parties and related party transactions, including sales, purchases, loans, transfers of assets, liabilities and services, leasing arrangements guarantees, non-monetary transactions and transactions for no consideration.
10. You provided a non-audit service by assisting us with drafting the financial statements and related notes. In connection with this non-audit service, we confirm that we have made all management decisions and performed all management functions, have the knowledge to evaluate the accuracy and completeness of the financial statements, and accept responsibility for such financial statements.

Fraud and error

11. We have no knowledge of fraud or suspected fraud affecting the College involving management; employees who have significant roles in internal control; or others, where the fraud could have a non-trivial effect on the financial statements.
12. We have no knowledge of any allegations of fraud or suspected fraud affecting the College's financial statements communicated by employees, former employees, analysts, regulators or others.
13. We acknowledge our responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud.
14. We believe that there are no non-trivial uncorrected financial statement misstatements.

Recognition, measurement and disclosure

15. We believe that the methods, significant assumptions and data used by us in making accounting estimates and related disclosures are appropriate to achieve recognition, measurement and disclosure that are in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

16. We believe that the College is not controlled by the government and hence the appropriate accounting framework to apply would be the Canadian accounting standards for not-for-profit organizations (ASNPO). We obtained a legal opinion to support this position. We calculated the sick leave accrual that would be required to be reported if the College reported under PSAS, to demonstrate that application of PSAS would not have a material impact on the College's financial statements.
17. We have no plans or intentions that may materially affect the carrying value or classification of assets and liabilities, both financial and non-financial, reflected in the financial statements.
18. All related party transactions have been appropriately measured and disclosed in the financial statements.
19. The nature of all material measurement uncertainties has been appropriately disclosed in the financial statements, including all estimates where it is reasonably possible that the estimate will change in the near term and the effect of the change could be material to the financial statements.
20. All outstanding and possible claims, whether or not they have been discussed with legal counsel, have been disclosed to you and are appropriately reflected in the financial statements.
21. All liabilities and contingencies, including those associated with guarantees, whether written or oral, have been disclosed to you and are appropriately reflected in the financial statements.
22. All "off-balance sheet" financial instruments have been properly recorded or disclosed in the financial statements.
23. With respect to environmental matters:
 - a) at year or period end, there were no liabilities or contingencies that have not already been disclosed to you;
 - b) liabilities or contingencies have been recognized, measured and disclosed, as appropriate, in the financial statements; and
 - c) commitments have been measured and disclosed, as appropriate, in the financial statements.
24. The College has satisfactory title to (or lease interest in) all assets, and there are no liens or encumbrances on the College's assets nor has any been pledged as collateral.
25. We have disclosed to you, and the College has complied with, all aspects of contractual agreements that could have a material effect on the financial statements in the event of non-compliance, including all covenants, conditions or other requirements of all outstanding debt.
26. The Goods and Services Tax (GST) and Harmonized Sales Tax (HST) transactions recorded by the College are in accordance with the federal and provincial regulations. The GST and HST liability/receivable amounts recorded by the College are considered complete.
27. There have been no events subsequent to the statement of financial position date up to the date hereof that would require recognition or disclosure in the financial statements. Further, there have been no events subsequent to the date of the comparative financial statements that would require adjustment of those financial statements and related notes.

Other

28. We have considered whether or not events have occurred or conditions exist which may cast significant doubt on the College's ability to continue as a going concern and have concluded that no such events or conditions are evident.

Yours very truly,

Russ Harrington, COO

Joyce Chow Ng, Controller