File No.: 3987

Report on La Societe de les Enfants Michef (Metis Family Services)

Ministry of Children and Family Development

Distribution	
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Internal Audit & Advisory Services
Office of the Comptroller General
Ministry of Finance

Fieldwork Completed: May 2002

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Glossary

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Executive Summary

We have completed our audit of the La Societe de les Enfants Michef (Metis Family Services, the society). The Ministry of Children and Family Development requested that Internal Audit & Advisory Services conduct an audit to assess the validity of financial allegations and concerns relating to ministry contract terms and conditions. We concentrated our audit work on the 2000/01 and 2001/02 fiscal years.

Expenditure of Ministry Funding

Ministry Expectations

We compared society expenditures to the ministry approved budget for 2001/02 and noted that spending was significantly higher than budgeted for overhead and equipment expenditures and significantly less than budgeted for program staffing and training. Based on this comparison we conclude that the society's expenditures were not consistent with ministry expectations and the society may not have fulfilled contracted services. For 2000/01 we did not find any evidence of a ministry accepted budget or other expenditure guidelines against which to compare spending. We are therefore unable to conclude whether 2000/01 expenditures were consistent with ministry expectations. We noted for 2000/01 that the society made a number of loans but it was unclear how the loans related to the society's mandate.

Contract Reform Guidelines

We found that both the society's administrative expenses and accumulated surplus significantly exceeded contract reform guidelines.

Accounting for Ministry Funding and Filing Financial Results with the Ministry

We found that the society accounts for ministry funding by program and reports interim revenue and expenditure results to the extent required by the ministry. However, the society does not obtain or submit required annual audited financial statements to the ministry as required in their contract. The unaudited financial statements submitted did not encompass the results of all operations and disclose assets, liabilities and accumulated surpluses. Audited financial statements would provide the ministry and the board with assurance that reported financial information is reliable and would support decision-making.

We were not provided with access to the board minutes to determine the nature and extent of the board's involvement with the society. We found little evidence to indicate board oversight of the society's financial management. We identified some areas where the board could more actively participate in order to strengthen financial controls. Stronger financial controls will help protect the society against any real or perceived financial irregularities and serve as the basis for developing an effective accountability structure that focuses on results.

A separate management review has been completed by an independent consultant that has provided additional recommendations regarding the governance and management of the society.

Our detailed observations, conclusions and recommendations are included in the Comments and Recommendations section of this report. Our findings and conclusions have been discussed with both the society and headquarters' ministry representatives.

We would like to thank the staff, management and president of the society, and the ministry's regional and headquarters' staff and management for the assistance they offered during the course of this audit.

David J. Fairbotham
Executive Director
Internal Audit & Advisory Services

January 22, 2003

On July 19, 2002, subsequent to this audit, the Director responsible for administering the Child Family and Community Service Act informed the agency of his intention to terminate their existing contract with the ministry. The society was given 60 days to remedy the financial and operation deficiencies identified within the agency.

Since then, the previous Executive Director has been replaced with an Interim Executive Director on secondment from the Ministry, a financial controller has been hired, and the Board of Directors has been expanded to seven independent directors.

The new Board and Acting Executive Director agree with the findings and recommendations contained in this audit, and have developed a work plan to deal with the financial and operational issues identified.

Introduction

Metis Family Services, is a non-profit society based in Surrey. The society serves Metis communities primarily in the Fraser Region.

The society's stated mission is "To preserve and maintain the cultural heritage and well being of Metis children within our communities."

The society has grown from an advocacy group to a family service agency assuming guardianship responsibility for approximately 70 Metis children from the Ministry of Children and Family Development (the ministry). For 2001/02, the society received approximately $1.2 million in annual funding from the ministry, excluding flow-through funding for children's residential services.

The ministry received a number of allegations concerning the society. As well, the ministry wished to verify that it has received full and proper reporting from the society. As a result, the ministry requested Internal Audit & Advisory Services to conduct an audit of the society to assess the validity of the financial allegations and concerns to the extent these relate to ministry contract funding.

The audit was intended to resolve these matters so that the society can continue building its capacity to offer expanded and accountable service to the ministry and the Metis Community. The audit preceded governance and service delivery reviews planned for the society.

Audit Purpose

The purpose of the audit was to assess the validity of the allegations or concerns relating to the society, specific to ministry contract terms and conditions.

Audit Objectives and Scope

The primary objectives of the audit were to investigate the financial allegations and concerns to determine whether the society:

- spends ministry funding within expectations established in the Client Service Agreement, related component schedules, contract reform guidelines, or in areas that can reasonably be attributed to benefit the society's stated mission, goals, and objectives; and

- accounts for ministry funding appropriately, including generally accepted accounting principles where applicable, and files required reports with the ministry.

The scope of the assignment involved examination of the society's:

- contracts, agreements with the ministry and supporting standards and filings;

- financial records and reports; and

- constitution, bylaws, policy and procedure manuals.

The assignment also included interviews with the society's executive director, current and former board members, financial staff and signatories to a letter outlining allegations and concerns.

Our fieldwork was conducted in April and May 2002 when financial records and reports had been compiled for the year ended March 31, 2002. We examined financial matters relating primarily to the 2001/02 year just ended and to a lesser extent 2000/01.

Scope Limitation

Internal Audit & Advisory Services was not given access to the society's board of director (board) minutes. Accordingly, we have no assurance that key decisions relating to expenditures were approved by the board.

Comments and Recommendations

Some of the recommendations in this report could either be directed to the society, recommending they take certain actions, or to the ministry, recommending the ministry amend its contracts to require the society to take those actions. Because the society is going through some significant changes at the board level, we have directed those recommendations to the ministry.

1.0 Expenditure of Ministry Funding

Objective

To determine whether the society spends ministry funding within expectations established in the Client Service Agreement, related component schedules, contract reform guidelines, or in areas that can reasonably be attributed to benefit the society's stated mission, goals, and objectives.

Conclusion

We compared society expenditures to the ministry-approved budget to determine whether the society spent funds in accordance with ministry expectations.

For 2001/02 we noted that spending was significantly higher than budgeted for overhead and equipment expenditures and significantly less than budgeted for program staffing and training. Based on this comparison we conclude that the society's expenditures were not consistent with ministry expectations. The transfer of funds from program staffing and training to overhead and equipment suggests that the society may not have fully delivered contracted services.

For 2000/01 we did not find any evidence of a ministry accepted budget or other expenditure guidelines against which to compare spending. We are therefore unable to conclude whether 2000/01 expenditures were consistent with ministry expectations. We noted for 2000/01 that the society made a number of loans but it was unclear how the loans related to the society's mandate.

To assess the reasonableness of the society's administrative expenses and accumulated surplus we compared them to the contract reform guidelines and found that they both significantly exceeded the guidelines.

The society has a broadly stated mission statement. However, we found no evidence to indicate whether supporting goals, objectives and spending plans had been established and approved by the board.

1.1 Ministry Contract Expectations

2001/02 Expenditure Variances

For 2001/02 we used the society's itemized budget approved by the ministry to determine whether society expenditures met ministry expectations.

Overall, the society ended the 2001/02 year with a $74,000 net loss for ministry related operations. This loss was mainly the result of "Guardianship Start-up" and "Steering Committee" costs not being covered by the ministry contract (Appendix 1).

Guardianship Start-up and Steering Committee

Guardianship Start-up costs were comprised of computer and telecommunications capital spending. Steering committee costs were comprised of management consultant fees.

We understand from society management that program surpluses under recurring ministry contracted services (see Appendix 1) were permitted by ministry representatives to be applied to other unfunded areas, such as Guardianship Start-up. However, we found no documentation approving such funding reallocations.

Contract Over and Under Spending

The society ended 2001/02 with a $34,100 surplus from recurring ministry contracts (“Main Contracts”), broken down as a $72,100 surplus for programs and a $38,000 deficit for administration (Appendix 1).

Main Contract budget variances by expenditure line item are provided under Appendix 3. Significant variances are highlighted in Table 1 below.

Table 1: 2001/02 Significant Main Contract Budget Variances

Variance (over)/under	Expense Line Item	Principal Cause(s) or Other Comments
($22,500)	Administrative salaries and benefits	Higher than budgeted salaries.
($29,400)	Transportation	Three vehicles, two of which are assigned to administrative staff. Significant in-province and out-of province/country travel by administrative staff, often in excess of government rates
($30,900)	Office Supplies and Equipment	Ten personal computer purchases fully expensed.
($6,600)	Telecommunications	Significant cell phone costs, consisting of four administrative staff phones at $5,500 and four program staff phones at $1,100.
$106,200	Program salaries and benefits	Unfilled vacancies.
$18,900	Training	Reason(s) not identified. Only ten percent of the budget spent.

The 2001/02 operating budget approved by the ministry did not provide any guidelines on equipment acquisition, or the need for a capital budget.

Recommendations

(1) **For future contracts we recommend the ministry:**

- **document any significant funding reallocations agreed to; and**

- **set a dollar-value threshold for asset purchases or leases, above which a separate capital budget needs to be negotiated.**

(2) **We recommend the society:**

- **establish a capital budget for asset purchases and leases over a specified dollar value; and**

- **seek opportunities to raise funding for capital acquisitions.**

Ministry Response:

The society was requested to review their budget lines, allocations, and develop policy and procedures for capital expenditures.

The future contract will require ministry approval for significant funding reallocations, and will have a separate budget line for capital expenditures. The society will list expenditures associated with an amortisation schedule. Ministry approval will be required to exceed pre determined budget levels.

Society Response:

The board of directors has approved a new policy (10.4 Capital Purchases). Some excerpts from that policy statement follow:

- *Each year a budget will be developed for each department, which will include a capital purchases budget. Budgets will be submitted by the Executive Director to the board of directors for their approval.*

- *There will be no capital purchases, unless they are provided for in an approved budget, and approved by the board of directors.*

- *Metis Family Services has defined capital assets as "items that have a life of greater than one year and a value greater than $300.*

A new policy will be submitted to the board for approval regarding contractual commitments that either exceed a specified dollar value or are of a duration of greater than one year, whichever applies. This policy will address the lease portion of the recommendation as well as other types of contractual commitments.

Although not written into policy, the agency will continue to seek opportunities to raise funding for capital acquisitions.

2000/01 Expenditures

For 2000/01 we found no evidence of any ministry-approved budget or other type of expenditure guidelines to measure against. However, we noted that the society made a number of loans in 2000/01 and prior years.

At the 2000/01 yearend $18,782 of loan receivables remained outstanding and were not carried forward for 2001/02 when the society switched accounting systems. The loan balance included:

- $8,348 owed by
- $3,134 owed by aboriginal organizations; and
- $7,300 owed by a restaurant.

Society management advised us that the loans were interest-free and may not all be recoverable. has indicated to us that will repay loan. We found no evidence of a supporting business case and board approval for any of the loans, nor written loan agreements. We were not provided with an explanation of how the loans contributed to the society's mission, goals and objectives.

As well, we noted $10,827 of employee loans that were included in the 2001/2002 general ledger. We understand that some of these loans related to employee computer purchases.

Interest-free loans to employees are a taxable benefit that the society may be liable for if the benefit is not transferred to the employee. Loans in general:

- leave the society at risk of repayments being in default;
- tie up scarce financial resources; and

- do not appear consistent with the society's mandate.

Accordingly, the use of loans is not advisable.

Recommendations

(3) For future contracts we recommend the ministry restrict or prohibit the use of any ministry funding for loans.

(4) We recommend the society stop issuing loans and make efforts to collect outstanding amounts.

Ministry Response:

A letter has been written from the ministry to the board advising that staff loans are inappropriate and a response received indicating they agree to prohibit the use of any ministry funding for loans.

The future contract will preclude loans including accountable salary advances

Society response:

The board of directors has agreed to comply with the audit. A policy has been approved which clearly states that no loans or advances shall be given, except, in the circumstance where an employee will be on holidays or vacation, during which period a pay day occurs which covers pay for time already earned. The only other consideration for advance will be travel advances where an employee is incurring an approved expense on behalf of the society.

The board of directors has adopted a "No loans policy" to any individual or entity.

The society is making an effort to collect outstanding loans and has engaged a legal representative to assist in that process.

2002/03 Contract

For 2002/03 we noted that contract terms and conditions had been strengthened regarding expenditures, but noted further opportunities for improvement.

The 2002/03 contract represents an improvement over 2001/02 in terms of requiring the society to explain all expenditures exceeding the annual budget of a cost-centre expense category by $10,000 per quarterly period. However, by not prorating the annual budget per quarter according to anticipated expenditures, the risk exists that any significant variances will most likely not be evident until the fourth quarter when, once reported, it may be too late for corrective action.

We also noted that both the transportation and telecommunications portion of the budget represents a substantial increase over the budget and actual expenditures for 2001/02 (Appendix 3). If the ministry is concerned about the society's substantial travel and cell phone usage then budget increases in these areas will tend to encourage rather than discourage such activities. For discretionary expenditures such as these, the ministry could negotiate funding according to a zero-based budgeting exercise, whereby the society needs to provide supporting business cases each year to justify all such expenditures in advance.

Recommendations

(5) **For future contracts we recommend the ministry:**

- **require the society to report its quarterly expenditures compared to a prorated budget; and**
- **negotiate funding based on a zero-based budgeting process for discretionary expenditures, such as administrative travel and cell phone usage.**

Ministry Response:

The society has been requested to provide monthly expenditures vis-à-vis the pro-rated and annual budget. A written request has been made to the board of the society for quarterly reports and the society is currently providing monthly financial statements and has agreed to supply quarterly reports.

Future contract negotiations will include justification of the budget for discretionary expenditures. Travel policies and procedures will have financial controls and will be the same as or less than the provincial government rates. The project manager will meet with the comptroller to ensure the statements include all required financial accountabilities. In addition, the contract will be renegotiated by the end of the fiscal year to include these items.

1.2 Contract Reform Guidelines

Contract Reform Guidelines establish reasonableness measures for a funded agency's administration expenditures and accumulated surplus. They are guidelines, versus contract requirements.

Administrative Expenditures

We calculated that society administration expenditures were approximately 36% of program expenses in 2000/01 and 48% in 2001/02, versus the contract reform guideline maximum of 10% (Appendix 2). The society's actual administration expenditures for 2001/02 exceeded the contract reform guidelines by $332,000.

Our calculations were conservative and based mainly on society cost allocations used for 2001/02 between program and administrative expenses. Actual percentages would be higher had the society:

- allocated more of the executive director's and in-house legal counsel time to administration versus programs, (see section 2.1 for further comments); and
- fully allocated management consulting fees of $31,400 in 2000/01 and $25,800 in 2001/02 to administration versus programs.

The ministry-approved budget for administration costs was approximately 44% of projected program expenses in 2001/02, which significantly exceeded the 10% contract reform guideline. For 2001/02, the society's actual administration costs were 48% of program expenses, or 4% higher than the approved ministry budget. We understand that the high administration budget was to allow for "capacity building". However, the ministry did not define the capacity building to be undertaken. Based on our analysis, the high administrative expenditures for 2001/02 were mainly the result of the addition of more administrative staff and continued out-of-province/country travel by management staff.

The high administrative expenditures for 2000/01 were largely the result of out-of-province/country travel by management staff and the salary of an associate executive director. This position was not filled for 2001/02.

Accumulated Surplus

The society's accumulated surplus represented 9.6% of provincial social funding for 2001/02 (Appendix 2). This surplus exceeds the contract reform guideline by 4.6% or $61,300.

Recommendations

(6) **We recommend the ministry:**

- **clarify expectations for any administrative funding approved in excess of contract reform guidelines, such as capacity building; and**

- **negotiate with the society the use of the accumulated surplus in excess of contract reform guidelines as part of future funding decisions.**

Ministry Response:

The society was advised to follow contract reform guidelines including a separate budget for capacity building.

Accumulated surplus will be limited to the contract reform guidelines, and any excess or unearned revenue will be applied to the next contract.

1.3 Employee Expense Reimbursements

For both 2000/01 and 2001/02 we noted employee expense reimbursements were not always supported by receipts. This was particularly true of administrative staff travel in 2001/02, whereby travel advances were fully expensed at issue without subsequent reconciliation to receipts. Receipts for travel are particularly important as:

- reimbursements are paid directly to employees;
- travel expenses are difficult to verify relative to other expenditures; and
- the society significantly exceeded its travel budget.

Supporting receipts help demonstrate the validity of the expenses claimed and therefore avoid the perception of misuse.

We noted that the 2001 policy and procedures manual of the society made no explicit reference to when receipts are required for employee reimbursements. We recognize that it is not practical to provide receipts for all types of travel expenses incurred.

We suggest the society consider:

- determining which expenses would require a receipt (for example, a per diem allowance for meals may be more practical than requiring receipts);
- establishing a threshold above which receipts would be required, for example $20; and
- minimizing the use of advances where employees have credit cards.

Authorization

We also noted the board treasurer signed many of the employee reimbursement cheques issued during 2000/01 and 2001/02. The treasurer was also an employee of the society as the manager of finance. This situation creates a potential conflict as the individual is not independent of senior staff who were directing and sometimes receiving these payments. In addition, having an employee as treasurer may compromise the governance role normally carried out by a board treasurer in providing an independent review of transactions.

Recommendations

[7] **We recommend the society:**

- **establish an employee reimbursement policy, including when receipts are required and where advances are permissible; and**

- **ensure board members are independent of management.**

Society Response:

The board of directors has approved a travel expense policy that addresses the audit concerns.

The board of directors has expanded to seven members, all who are independent of management.

1.4 Mission, Goals and Objectives

Under the Delegation Enabling Agreement signed with the ministry, the society must adhere to the *Aboriginal Operational and Practice Standards and Indicators*. Under these standards an Aboriginal Child and Family Service Agency needs to have a governance model that involves the governance body setting agency goals and establishing overall policy direction for the operation of the agency. Such direction would include the governing body approval of strategic and business plans and reported progress against those plans to ensure a focus on results. In the case of Metis Family Services, the board is the governing body.

We were not provided with access to the board minutes to determine the board's activities in setting the direction for the society. We found no evidence of any goals and objectives supporting the society's mission. We reviewed the 2001 policy and procedures manual and found no requirement for board approval of:

- strategic and business plans;

- proposed spending which will exceed business plan budget targets;

- reported interim and year end financial results against budget;

- capital purchases or leases above a specified dollar threshold, subject to a business case;
- out-of-province and out-of-country travel, subject to a business case; and
- policy amendments.

Recommendations

(8) **We recommend the ministry ensure the society develop a governance model consistent with the standards applying under the Delegation Enabling Agreement.**

Ministry Response:

A number of meetings between ministry and the board of directors have occurred. A senior ministry staff has been assigned to work on site to monitor and mentor the restructuring of the management of the organisation, including ensuring the governance structure is in place.

A management review has also been completed that provided for further recommendations regarding governance and management of the society.

The ministry has committed to continue to meet regularly with the board of directors, and issues such as the governance model and standards are to be clarified and delineated in the deliverables section of the next contract.

2.0 Accounting for Ministry Funding

Objective

To determine whether the society accounts for ministry funding appropriately, including Generally Accepted Accounting Principles, where applicable, and files required reports with the ministry.

Conclusion

The objective was partially met.

The society made a concerted effort to track expenditures by cost centre. We found that overhead was allocated on a reasonable basis with the exception of some administrative salaries.

The society filed required interim financial reports with the ministry in the proper format. However, no annual audited financial statements were submitted as required for both 2000/01 and 2001/02. The annual financial statements submitted did not cover all operations and accounts and contained some misstatements.

2.1 Overhead Allocations

Overhead costs such as facilities were allocated to programs on a reasonable and consistent basis. We noted for 2001/02 that 65% of the executive director and in-house legal counsel salaries and benefits were charged to programs, versus administration. Although, the 65% allocation for both positions was consistent with the 2001/02 budget allocation approved by ministry, we found no evidence to explain the rationale for the allocation. Based on our audits of other ministry funded societies, normally a much smaller proportion of executive director personnel costs are charged to programs for agencies of an equivalent size. In the case of in-house legal counsel costs, we have not encountered any such position before for any funded agencies examined.

For the 2002/03 budget, 100% of the executive director's salary and benefits is charged to administration and there is no longer a funded position for legal counsel.

2.2 Annual Financial Statements

The society did not prepare or submit to the ministry required annual audited financial statements prepared in accordance with Generally Accepting Accounting Principles (GAAP) for 2000/01 and 2001/02. The annual financial reports submitted by the society included only profit and loss statements for a portion of the society's operations and did not include a balance sheet and accumulated surplus.

For 2001/02 we noted that the $74,000 reported net loss of the society was overstated by at least $40,000 because of overstated expenses according to GAAP. The expenditure misstatements are summarized in the Table 2 below.

Table 2: 2001/02 Expenditure Misstatements

Approximate Expense Overstatement/ (Understatement)	Expenditure Type	Explanation
$24,000	Salaries and Benefits	Retroactive wage benefit funding received in and recognized as revenue in 2000/01 did not have a corresponding expense accrual for that year. Expenses were recognized in 2001/02 when paid out.
($10,000)	Bad Debt Expense/Loss	No write-off of loans outstanding for greater than one year and apparently not recoverable.
$25,600	Depreciation	Full expensing of depreciable assets purchased in 2001/02, versus capitilizing and amortizing. Estimate based on capitalizing depreciable asset purchases costing over $1,000 each and amortized using five year straight-line depreciation.

We also noted that the financial reports do take into account the potential liability arising from two wrongful dismissal suits being pursued against the society.

Annual financial statement audits would help address the above matters and thereby ensure that the board and the ministry are provided with reliable information for decision-making purposes. As well, financial statement audits would help to identify areas of financial control weaknesses at the society and provide recommendations for improvement in order to strengthen financial accountability.

Recommendations

(9) **For future years we recommend the ministry enforce the contract requirement for an annual financial statement audit of the society.**

Ministry Response:

A letter has been sent to the board requesting they provide annual audited financial statements and register themselves as a reporting society. A requirement that an audit be performed will be included as a specific deliverable in future contracts.

The Project Manager will monitor the society to ensure compliance.

Society Response:

The board has agreed to apply to register as a reporting society as of June 15, 2003 and to provide an annual audited financial statement.

APPENDIX 1

METIS FAMILY SERVICES PROFIT AND LOSS STATEMENT
MINISTRY OF CHILDREN AND FAMILY DEVELOPMENT
FUNDED OPERATIONS FOR THE YEAR ENDED MARCH 31, 2002
UNAUDITED

	Recurring Ministry Contracted Services (Grouped by Society Cost Centre and Ministry Approved Budget)					Nonrecurring Ministry Contracts or Unfunded Expenditures (Grouped by Society Cost Centre)					Total Ministry
	Guardianship /Resource Activities	Family Support	Administ-ration	Supervised Access	Subtotal	Steering Committee	Resources	Guardianship Start-Up Costs	Renovations	Retro RRSP	
Income/Budget	$378,258	$432,224	$381,074	$80,000	$1,271,556	$0	$32,978	$0	$40,000	$0	$1,344,534
Total Expense/Actual	326,782	411,669	419,128	79,888	1,237,467	27,254	32,492	57,336	40,000	24,031	1,418,580
Net Income/Loss	**$51,476**	**$20,555**	**-$38,054**	**$112**	**$34,089**	**-$27,254**	**$486**	**-$57,336**	**$0**	**-$24,031**	**-$74,046**
(Budget Variance)					See Appendix 3 for further details						See Appendix 2 for Contract Reform Break-down

APPENDIX 2

METIS FAMILY SERVICES PROFIT, LOSS AND ACCUMULATED SURPLUS STATEMENT - ALL OPERATIONS
For the Year Ended March 31, 2002
UNAUDITED

	Ministry of Children and Family Development Funded Operations (Grouped According to Contract Reform Guideline Expense Categories)				Other Operations/ Funding Sources	All Operations
	Program	Adminstration	Facility	Total	(primarily Federal)	
Income/Budget	$858,957	$381,074	$104,503	$1,344,534	$150,506	$1,495,040
Program Budget %	100.0%	**44.4%**	12.2%			
Total Expense/Actual	867,506	419,128	131,946	1,418,580	145,035	1,563,615
Program Actual %	*100.0%*	***48.3%***	*15.2%*			
Net Income/Loss (Budget Variance)	**-$8,549**	**-$38,054**	**-$27,443**	**-$74,046**	**$5,471**	**-$68,575**
Accumulated Surplus						
03/31/2001						197,058
03/31/2002						**$128,483**
2001/02 Accumulated Surplus as a Percentage of Provincial Funding						**9.6%**

Actual Administration Expense %	**48.3%**
Contract Reform Guideline for Administration Expenses	**10.0%**
Administration Expense % in Excess of Contract Reform Guidelines	**38.3%**
Actual Accumulated Surplus %	**9.6%**
Contract Reform Guideline for Accumulated Surplus	**5.0%**
Accumulated Surplus % in Excess of Contract Reform Guidelines	**4.6%**

APPENDIX 3

METIS FAMILY SERVICES
MINISTRY OF CHILDREN ANDFAMILY DEVELOPMENT
CONTRACTED SERVICES BUDGET AND ACTUAL COMPARISONS

	2001/02			2002/03	02/03 Budget
	Budget	**Actual (Unaudited)**	**Variance**	**Budget**	**Versus 01/02 Budget**
	Total	Total	Under (Over) Budget	Total	Increase (Decrease)
EXPENSES					
Total Compensation (wages and benefits)					
Primarily Administrative	393,533	415,992	(22,459)	270,739	$ (122,794)
Primarily Program	642,638	536,421	106,217	1,000,557	357,919
Subtotal	**1,036,171**	**952,413**	**83,758**	**1,271,296**	235,125
Program/Service Client Support Costs					
Transportation Costs	46,178	75,593	(29,415)	72,600	26,422
Staff Training	23,500	2,091	21,409	20,000	(3,500)
Office Supplies and Postage	27,200	35,469	(8,269)	30,000	2,800
Equipment Rental/Repairs	8,401	31,014	(22,613)	14,300	5,899
Subtotal	**105,279**	**144,166**	(38,888)	**136,900**	31,621
Program/Services Facilities Costs					
Rent	78,002	78,787	(786)	96,800	18,798
Utilities and Janitorial	24,003	30,161	(6,158)	35,200	11,197
Telephone, Fax, Cellular etc.	15,002	21,580	(6,578)	22,500	7,498
Insurance	2,500	2,807	(307)	-	(2,500)
Subtotal	**119,506**	**133,334**	(13,828)	**154,500**	34,994
Administration Costs (Other)					
Professional Fee's(Audit,Bank Fee's Etc.)	5,600	3,382	2,218	10,000	4,400
Advertising	5,000	4,171	829	-	(5,000)
Subtotal	**10,600**	**7,553**	**3,047**	**10,000**	(600)
One-time Only	**-**	**-**	**-**	**8,000**	8,000
TOTAL GROSS EXPENSES	**1,271,556**	**1,237,467**	**34,089**	**1,580,696**	**$ 309,140**