ATTAINABLE HOMES CALGARY CORPORATION
CONTROL ENVIRONMENT ASSESSMENT

COMPONENTS OF INTERNAL CONTROLS	DESCRIPTION	CURRENT ASSESSMENT	FURTHER ACTIONS PLANNED
CONTROL ENVIRONMENT	The overall control environment at AHCC is critical in ensuring that the Internal Controls Over Financial Reporting (ICOFR) operates efficiently and effectively	Given the size of the corporation it is difficult to implement a process to monitor the system of internal controls.	One of the key responsibilities of the AHCC Finance Mgr is to review and develop processes and internal controls to enhance the financial reporting process.
	City Council sets the overall tone for internal control for all City subsidiaries. AHCC Board and management contribute to this tone through its operating practices, integrity and adherence to core values	A culture and operating practice is being developed at AHCC that will produce an environment of strong financial control subject to the limitations imposed on the corporation by size and resources. AHCC has a code of conduct in place for its staff and its Board members.	AHCC will continue to emphasize the importance of a strong control environment by remaining aware of City initiatives in this regard. Policies have been developed appropriate to the size and nature of the organization that emphasize core values, security and IT policies and procedures and human resources policies and procedures.

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RISK ASSESSMENT	An overall risk assessment process will help determine the greatest areas of risk at AHCC that could prevent achievement of the corporation's mission, mandate and strategic plan	An integrated risk management (IRM) framework has been developed.	IRM reviews will form part of AHCC's policy to continuously detect risk and to take action to prevent occurrence and/or reduce impact where possible. The AHCC audit committee has the responsibility of reviewing and making recommendations with respect to AHCC's risk management procedures and controls to the AHCC Board.

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CONTROL ACTIVITIES	Control activities should include policies, procedures, documented approvals, reconciliations, verifications, review, physical security and segregation of duties.	Appropriate and necessary control activities have been established at AHCC as the corporation has grown in size. They are updated as issues are identified by the finance manager and the external auditors. Controls include assessment and control of each revenue stream, minimization of cash handling and access to cash, separation (so far as is possible for an organization of this size) of cash handling from record keeping	Ongoing enhancements to the internal control systems to address the deficiencies identified by the external auditors. Further reviews and follow up assessment of our system of internal controls will be carried out and reported on by the external auditors as part of their audit of the 2014 fiscal year.

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INFORMATION AND COMMUNICATION	There should be a continuous flow of financial reporting and information throughout AHCC to support a strong control environment.	There are regular weekly, monthly, quarterly and annual reports created and reviewed as part of the internal control process. Relevant information is disseminated at regular scheduled staff, management and Board meetings.	Financial statements and other financial reports will continue to be created and reviewed. New reports continue to be created to provide adequate control mechanisms for an evolving business model. Staff are notified promptly of any new policies or revisions to existing policies. Actual results are reviewed in relation to the Business plan approved by the Board and the Shareholder to ensure that strategic business goals and objectives will be met with planned budget resources.

ATTAINABLE HOMES CALGARY CORPORATION
CONTROL ENVIRONMENT ASSESSMENT

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MONITORING	Ongoing monitoring occurs in the normal course of operations, and includes regular management and supervisory activities and other actions by personnel as part of the assessment of internal controls	The Business plan is monitored on a regular bases to ensure objectives are being achieved. AHCC reviews its financial policies to ensure compliance. Procedures exist to ensure anti-fraud controls are working. There is a strong emphasis on financial reconciliation. Weekly, monthly, quarterly and annual reports are used to prevent revenue and expense misstatements. Variances are analyzed and investigated. Procedures are in place to ensure accuracy of financial information. Consistent reporting standards are in place. Estimates are based on quantifiable analyses. An annual employee performance review system is in place. Customer satisfaction surveys are conducted. Performance measures are reviewed and updated and discussed at Staff and Management meetings.	Existing monitoring of compliance with policies and procedures will continue.