

Secretary Treasurer's Response To
Air Canada Component Trustees' Report & Recommendations
Audit Period: July 1st 2009 – June 30th 2010

As Secretary-Treasurer, my mandate, under the Air Canada Component By-Laws requires that a response be provided to the Component Trustees report.

Following, you will find my responses (in red) to the Trustees' recommendations.

Sincerely,

Nick Beveridge

Air Canada Component Trustees' Report & Recommendations

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1) RESOURCES FOR YUL AND YYC LOCAL:

As part of the 09/10 budget, ACCEX agreed to pay an 'Interim Local Augmentation' for YUL and YYC. These locals received \$42,000 and \$32,000 respectively.

It was unclear to the Trustees when reviewing the minutes of the ACCEX meeting of September '09, whether these were a one-time expenditure or a yearly payment.

The Trustees would recommend that any such additions to the budget should clearly state if these are a one-time or recurring items.

Response:

My belief is these augments were originally intended as a one- time yearly payment. However, the AC Component Executive renewed the augments for the 2011 and 2012 budgets in the belief these monies were needed to maintain service levels for members at the YUL and YYC Locals. If these augments are to become permanent, the By- Laws should be adjusted to account for this funding.

2) ATTEMPTED FRAUD:

During this period there was an attempted fraudulent act on the component bank account by outside individuals. Fortunately, we can report that this attempt was

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stopped at no loss to the component and subsequently, the account numbers were changed.

3) COMPONENT BUILDING MORTGAGE:

At the September '09 ACCEX meeting, the secretary-treasurer announced to ACCEX that the component was in the process of paying off the mortgage on the component office building at Belfield Rd. The local presidents did not have prior knowledge of this and thus, ACCEX as a whole did not approve executing the mortgage discharge.

The Trustees would recommend that the bylaws should reflect that any expenses other than ordinary operating and budgeted expenses, be approved by ACCEX. Also, Component bylaw 4.9 should include the words 'purchase' and 'disencumber' (in other words, paying off a mortgage) in regards to any real estate.

Component bylaw 4.9 currently states:

“Title to any real estate of the Component shall be held in trust by all three Of the Component President, Component Vice-President and Component Secretary-Treasurer. The right to sell, convey, or encumber any real estate held by the Component shall be ratified by two-thirds (2/3) majority of all of the members of the ACCEX representing at least half (1/2) of the total membership and shall also be ratified by a Membership Referendum Vote in accordance with Appendix “B” of these Bylaws.”

It is important for the membership to note that all assets belong to CUPE National.

Response:

I disagree with the Trustees' recommendation. I believe “convey” covers “purchase” (i.e. “convey” follows from a “purchase”). Secondly, ACCEX would have to authorize, via a budget line, any sum set aside to pay down a Component held mortgage; this practice in my view provides sufficient oversight and negates the need for “disencumber” in the By Law.

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4) SEPARATE FINANCIAL MOTION BOOK:

Currently, all motions which deal with finances are included in the ACCEX meeting minutes. We recommend that a separate book is to be used so as to list all motions which pertain to the budget and expenses.

Response:

I disagree with the Trustees' recommendation. Motions having to do with finance may overlap with non-finance issues. Furthermore, separating finance related motions from other motions might require considerable effort and create confusion (more documentation etc.). I believe the current method of recording motions by subject and in chronological and numerical order is the most efficient in regards to workload and future reference.

FINAL COMMENTS:

In concluding this report, we would like to thank ACCEX, CUPE National representatives and all of the staff at Belfield in assisting us with this audit.

We hope every member will take the time to read this report. We are all available to answer any of your questions or concerns.

We can be contacted by email at contact@accomponent.ca

Yours truly,

Evelyn Bell-Bedard
Sal Occhiuzzi
Marc Roumy

Component Trustees

Dated: June 28th, 2012