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# Audit turned up 'bad debt' but nothing nefarious, EMSB says

*The EMSB says a review it ordered in 2017 to track down missing international student tuition fees raised no red flags.*

Linda Gyulai • Montreal Gazette

May 17, 2021 • 1 hour ago • 5 minute read • [Join the conversation](#)

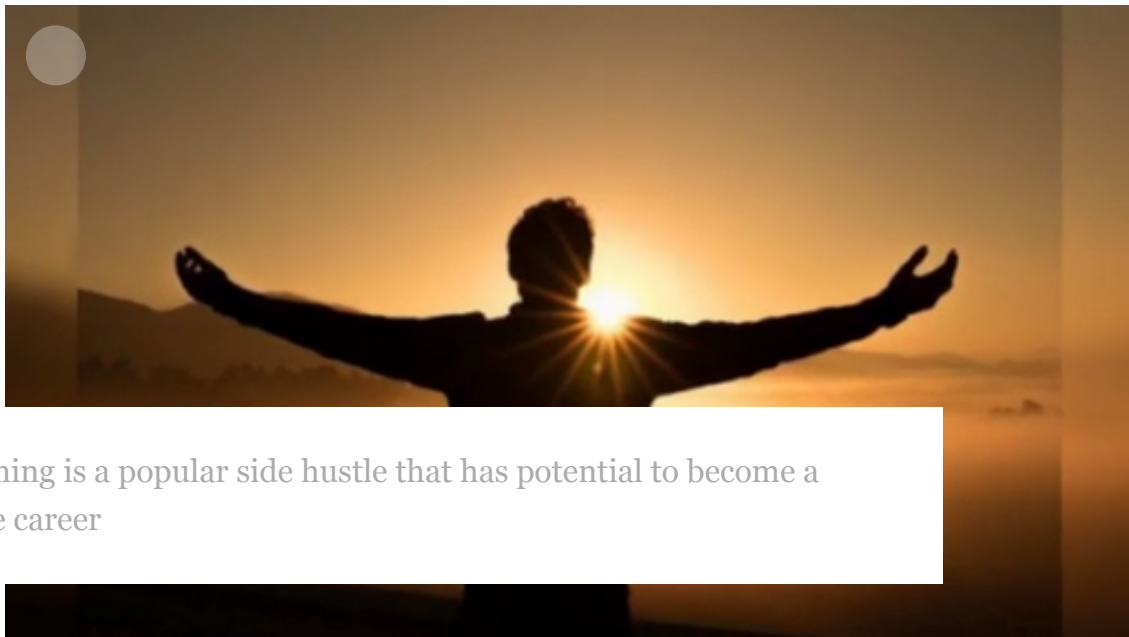




The English Montreal School Board offices in Montreal. PHOTO BY JOHN MAHONEY /Montreal Gazette files

The English Montreal School Board says an independent financial review it ordered in 2017 to track what was thought to be millions of dollars in missing international student tuition fees turned up nothing nefarious and raised no red flags.

In fact, the report submitted to the EMSB by auditing firm Raymond Chabot Grant Thornton pegged the value of “bad debt” from outstanding international tuition fees at less than \$150,000, EMSB spokesperson Michael Cohen said on behalf of the school board on Friday.



Life coaching is a popular side hustle that has potential to become a profitable career

However, the EMSB won't release the audit, he said.

“That report contains the names of staff and students, and as a result it cannot be disseminated,” Cohen said, adding that the school board can't provide even a redacted version of the audit because of a confidentiality clause in it. “The only thing we can state to you, though, is that there were absolutely no findings in that report that even remotely suggested fraud or unethical practices. The essence of this audit was to help the EMSB put into place new and improved record-keeping as it pertains to

international student tuition and revenues.”

STORY CONTINUES BELOW

The EMSB made the declaration in response to a Montreal Gazette article last week that revealed some of the findings of an administrative audit of the international programs at the English Montreal and Lester B. Pearson school boards completed for the Quebec education department in 2017. The education department released the 87-page report of Michelle Lapointe, the government-appointed administrative auditor, to the newspaper this month following a four-year access-to-information battle.

Among other things, Lapointe’s report mentioned \$3.6 million in missing international student tuition fees at the EMSB. The report said the school board was waiting for the results of a financial audit by Raymond Chabot Grant Thornton. The EMSB was also waiting for recommendations on its governance from a management expert, Lapointe wrote, while the education department was also investigating the school board’s contract-awarding practices, including a contract it had awarded to Can-Share Connection Inc. to recruit students in China. A report concerning the latter matter, which the Montreal Gazette also obtained through access-to-information, concluded the EMSB’s public tender specifications to find a Chinese student recruiter had limited competition.

STORY CONTINUES BELOW

The EMSB has made several improvements to its international programs since 2017, Cohen said. But, he added, it never received a copy of the Lapointe report.

“Neither the Liberal government that commissioned her audit, nor the CAQ government that followed and placed the EMSB (under partial) trusteeship ever provided the EMSB with a copy of the Lapointe report,” Cohen said. “Moreover, neither Mme Lapointe nor anyone at the Ministry of Education ever provided any feedback to the EMSB on Lapointe’s findings or recommendations.”

In 2017, the EMSB carried out a line-by-line, student-by-student review of its accounts receivable to track missing international student tuition fees in vocational programs, Cohen said. Raymond Chabot Grant Thornton analyzed the data, he added.

STORY CONTINUES BELOW

“It should be highlighted that there were no red flags raised by the independent auditors suggesting anything more than simply bad debt,” Cohen said. The review found under \$150,000 in “bad debt” because 42 former international students hadn’t paid their tuition fees in full, he said.

The “bad debt” stemmed from before 2016, when the EMSB still allowed international students to pay their tuition fees in instalments, Cohen said. The board’s policy has since changed and it now requires international students to pay in full before their studies begin, he said.

Among other improvements, Cohen said, the EMSB’s Adult Education and Vocational Services department now registers international students, verifies their documents and takes their payment. Students then go to their vocational training centre to complete their registration. As well, cash payments are no longer accepted, he said.

STORY CONTINUES BELOW

Lapointe's report noted that the EMSB's vocational centres received payments directly from international students, and registered the transactions in an in-house database. The transactions were then manually transcribed into the EMSB's financial system.

"Could it be that this way of doing things contributes to the problems with accounts receivable and that sums have disappeared during these transactions?" Lapointe's report asked.

Enrolment by international students in adult vocational programs at the English Montreal, Lester B. Pearson and other school boards exploded after 2010, when the province set up the Programme de l'expérience québécoise, or PEQ. The program allows international students who have graduated from a Quebec institution to accelerate their acceptance to settle in the province permanently.

STORY CONTINUES BELOW

In her report, Lapointe said the provincial immigration department had discovered through interviews with international graduates of vocational programs at the EMSB and Lester B. Pearson board that most didn't understand English — the language of instruction — much less French. That led immigration officials to question whether the students had really undertaken studies, she wrote.

The Lester B. Pearson board said on Thursday it no longer offers the French course international graduates need to qualify for accelerated immigration, and many now take a course offered for free by the government.

The EMSB also no longer offers the French course, Cohen said.

Meanwhile, one whistleblower says he's not satisfied that Lapointe's review delved deep enough into problems in the EMSB's international programs.

STORY CONTINUES BELOW

John Winrow, a former executive assistant at the Montreal Teachers Association, the union representing teachers at the EMSB, said he helped the union bring the complaints of 10 teachers at the EMSB's vocational training centres to the attention of the board's director general in 2016.

The teachers told their union they were pressured to pass international students, even though they couldn't evaluate their competencies because many were unable to communicate in French or English, he said. The teachers also claimed they weren't allowed to mark absences for international students. They also said that international students were scheduled for an implausible number of hours of daily instruction to speed up their graduation, he said.

STORY CONTINUES BELOW

Lapointe's report makes no mention of the union complaints. Her report also doesn't list any teachers or union officials among those she interviewed at either school board.

"I'm disappointed," said Winrow, who left his job in 2017. "I had hoped that as a result of our denunciation, that somewhere along the way an outside or an inside organization would investigate the validity of our accusations."

However, Cohen said the EMSB declared four years ago that the allegations were false. Teachers were guaranteed anonymity and protection if they would speak to the director general, he said, but no one came forward.

EMSB senior management who met with Lapointe during her audit provided lists of students who had not passed their vocational training program as proof that not all international students pass, Cohen said. He added that the failure rate was about 20 per cent.

[lgyulai@postmedia.com](mailto:lgyulai@postmedia.com)

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