

To: Finance Committee

From: Beverly Hendry, Interim City Manager,
City Manager's Office

Report Number: FIN-15-80

Date of Report: September 1, 2015

Date of Meeting: September 17, 2015

Subject: Accounts Receivable and Cash Handling Audit

File: C-3100

1.0 Purpose

The purpose of this report is to transmit the KPMG Audit Report of Accounts Receivable and Cash Handling.

2.0 Recommendation

It is recommended to City Council:

That Report FIN-15-80 dated September 1, 2015 and Attachment No. 1, being the KPMG audit report of accounts receivable and cash handling, be received for information.

3.0 Executive Summary

Not applicable.

4.0 Input From Other Sources

No input was received on the preparation of this report, however, the audit by KPMG was conducted with the complete involvement of the appropriate City employees and management group.

5.0 Analysis

On June 29, 2015, Council received for information the 2015 Audit Plan. Three audits were part of the Plan, as follows:

- Accounts receivable and cash handling
- Accounts payable and purchasing compliance, purchasing cards and travel expenses

- Payroll and overtime

The accounts receivable and cash handling audit has been completed by KPMG. Attached is their audit report with their findings and recommendations.

The second audit is underway and expected to be reported to Finance Committee late October. The third audit will commence prior to year-end with a report to Finance Committee first quarter 2016.

6.0 Financial Implications

There are no financial implications.

7.0 Relationship to the Oshawa Strategic Plan

This report responds to the Council-approved principle of financial stewardship, which underlies the Oshawa Strategic Plan. It also responds to the goals of Economic Prosperity – Ensure economic growth and a sound financial future and Accountable Leadership – Ensure respect, responsiveness and transparency.



Helen Break, Director, Corporate Policy, Projects and Performance,
City Manager's Office



Beverly Hendry, Interim City Manager,
City Manager's Office



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If this information is required in an accessible format, please contact Service Oshawa.
Telephone 905-436-3311;
email service@oshawa.ca.

Internal Audit of Accounts Receivable and Cash Handling

Overall report rating

**Significant assurance
with minor improvement
opportunities**

City of Oshawa

August 2015

Contents

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Appendices

- A. Summary of work and assurances
- B. Summary of testing results
- C. Results of Analytical Procedures
- D. Staff involvement and documents reviewed

Status of Report

Discussion draft issued	21 August 2015
Management responses received	31 August 2015
Final report issued	31 August 2015
Presented to Finance Committee	17 September 2015

Distribution

To (for action):

- Timothy Dwyer – Manager, Taxation and Revenue Services
- Lorraine Fuller – Coordinator, Taxation and Revenue Services
- Candace Smith – Head Cashier

cc (for information):

- Stephanie Sinnott – Acting Executive Director, Financial Services
- Jay Martin – Manager, Financial Services and Financial Systems

Sponsor

- Stephanie Sinnott – Acting Executive Director, Finance Services

This report, together with its attachments, is provided pursuant to the terms of our engagement. The use of the report is solely for internal purposes by the management of the Corporation of the City of Oshawa, pursuant to the terms of the engagement, it should not be copied or disclosed to any third party or otherwise quoted or referred to, in whole in part, without our written consent.

Section One

Executive summary

Conclusion

This Accounts Receivable (AR) and Cash Handling audit forms part of our 2015 audit plan. We have provided a grading of **significant assurance with minor improvement opportunities (amber-green)**, which is in line with management's expectation. Overall we found well managed processes in property tax and user-fee invoicing. We noted some opportunities to improve controls and processes around Administrative Municipal Penalties (AMPs) and cash handling, along with potential efficiencies in the structure of the AR teams.

Our review of the property tax invoicing and collections process found robust automated controls in place across the invoicing process. Assessed property rates are determined and advised by the Municipal Property Assessment Corporation (MPAC), where the values are input into the Manta system. Invoices are automatically generated based on the annual property tax rates agreed and approved by Durham Region. Adjustments to property taxes are confirmed by MPAC, and manually calculated and entered into Manta after independent review and approval. The Manager of Revenue and Taxation Services advised that property tax debts are not written off, but rather always recouped through other avenues such as collection efforts or tax sales of properties.

Our review of the AMP issuing and receipting processes identified deficiencies in the existing processes and controls around the administration and recording of penalties issued, and recording and matching of receipts of payments. Currently AMPs are only recognized on a cash basis and not accrued when a penalty is issued. A reconciliation is needed to estimate current accrued AMPs, and alternative systems for recording AMPs should be considered to allow for reliable values of AMPs to be recorded in the Corporation's Financial Statements.

There are potential opportunities to streamline the administration and control of user fee invoicing by undertaking this centrally in the Finance Team. From our review of user fee invoicing, we note that the process to raise invoices is the responsibility of each relevant department who provided the service. We also noted from our data analytics that some departments raise relatively few invoices (less than 40 per year) so administration of these might be more efficient centrally. User fees encompass all services provided by the City to the public for a fee, as guided by the General Fees and Charges Bylaw. Invoices are raised in PeopleSoft by the relevant department's Administration Clerk, or Strategic and Business Services.

Control weaknesses and inconsistencies were noted in cash handling, float management and petty cash between the locations tested. This included requesting of cash float top ups, and end of day cash counts. We also noted process improvements which should be considered in regards to the end-of-day revenue collection process at the Garage #3 as not all the cash was being counted, and the floats were used to make up any differences from the end of week counts.

Background

This internal audit formed a part of the Internal Audit Plan for 2015 for the City of Oshawa ("City"). This review focused on Accounts Receivable ("AR") processes and cash handling. Our fieldwork included a review of various revenue streams and a sample of cash handling sites, as agreed with Management. The revenue streams covered included property tax, Administrative Municipal Penalties (AMPs) and user fees and focused on the Accounts Receivable processes operating in these areas. Our review of cash handling controls included the following sites: Service Oshawa, Civic Centre, Legends Centre, Garage #3 and petty cash float at the Fire Hall.

Accounts receivable is a critical support function of the City, ensuring that all services, fines and penalties are billed for and the subsequent cash is collected in a timely manner. The City had a receivables balance of \$47.8m as at April 30 2015 with the vast majority of this relating to taxes (\$45.5m) and general AR (\$2m). The City generates between 3,000 and 3,500 invoices per year and 46 people have access to the AR PeopleSoft module to generate invoices. We selected the AR processes of highest risk to the City, in conjunction with management in order to understand and test them where appropriate. Our work also included the processes and controls around taxes, fines and penalties.

Cash handling is an important anti-fraud control. Despite levels of cash stored at various locations across the City in floats being low in value, there is a greater opportunity for misappropriation of funds where cash is stored on-site. There are 29 locations which hold floats and petty cash with amounts held ranging from \$40 to \$4,200. This review took a sample based approach to controls around cash handling, dependent on the associated risk (taking account of the value of floats and the volume of transactions in that particular area). We selected areas for audit in conjunction with management.

Section One

Executive summary (cont.)

Objectives

Objective	Description of work undertaken
Objective one Accounts receivable	We gained an understanding of the end to end processes for AR of selected revenue streams and tested the design and operating effectiveness of controls (where possible). This included the following: <ul style="list-style-type: none"> • Policies and procedures over completeness and accuracy of invoicing; • Segregation of duties over key AR activities; • Processes and controls in place to prepare invoices; • Access controls in place over AR module of the financial system; • Reporting and monitoring of accounts receivable balances and chasing of overdue debts; and • Debt write off procedures.
Objective two Cash handling	We tested the controls over petty cash across a sample of locations at the City to ensure these are operating effectively. This included the following areas: <ul style="list-style-type: none"> • The segregation of duties surrounding cash as it relates to the processing of cash collections, the process of deposits and movement of cash between sites, Gardia and the bank (incl. deposit slips), the recording of cash receipts, the recording of transactions, systems access and bank reconciliations. • Cash Security • Cash and register balancing processes • Policies and procedures surrounding cash handling • Essentially what is the internal control structure for each department cash receipts operations, recording of revenue and the determination of whether policies and procedures were being followed • A comparison of processes to leading practice around cash handling.

Areas of good practice

- ✓ **Property Tax:** A highly automated process is in place. Strong collections processes are in place leading to zero write offs due to non-payment. Any write offs relate to adjustments to property tax amounts owing.
- ✓ **Planned upgrades to user access controls:** Recent upgrades to the Payroll and Accounts Payable finance modules included introduction of user access profiles to manage system access within the teams. Management advised that plans are in place for similar profiles to be introduced to the AR department.
- ✓ **System-generated invoices:** Property Tax invoice and AMP generation include system generated amounts, based on a table of rates stored within the relevant systems, reducing errors in invoiced amounts.

Areas for development

- Management of AMPs requires improvement and enhancement to the financial reporting and collections recording processes (**Recommendation One**); and
- Cash count controls are not being undertaken appropriately to identify any leakage of cash at Garage 3 (**Recommendation Two**).
- We also noted low priority recommendations over the handling of cash at other sites, end of day cash counts, processes for ordering cash and potential opportunities to streamline AR processes.

Recommendations raised

We have raised the following recommendations (high priority represents the most urgent and high risk category):

	High	Medium	Low	Total
Raised	-	2	6	8
Accepted	-	2	6	8

Acknowledgment

We thank the staff involved for their help in completing this review.

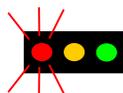
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Recommendations

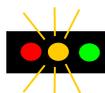
This section summarises the recommendations that we have identified from our work. We have given each of our observations a risk rating as follows:

Priority rating for recommendations raised

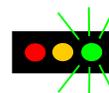
High Priority (red): a significant weakness in the system or process which is putting the City at serious risk of not achieving its strategic aims and objectives. In particular: significant adverse impact on reputation; non-compliance with key statutory requirements; or substantially raising the likelihood that any of your strategic risks will occur. Any recommendations in this category would require immediate attention.



Medium Priority (amber): a potentially significant or medium level weakness in the system or process which could put the City at risk of not achieving its strategic aims and objectives. In particular, having the potential for adverse impact on your reputation or for raising the likelihood of strategic risks occurring.



Low Priority (green): recommendations which could improve the efficiency and/or effectiveness of the system or process but which are not vital to achieving the City's strategic aims and objectives. These are generally issues of good practice that we consider would achieve better outcomes.



#	Risk	Recommendation	Management response, executive and deadline
1	● (amber)	<p>Recording and administration of the AMPs requires improvement</p> <p>We noted various deficiencies in the administration and follow-up processes of AMPs issued through, MES (the system used to issue, track and close AMPs). These include:</p> <ul style="list-style-type: none"> Penalties raised are not reflected on the PeopleSoft General Ledger until the time of payment, where a revenue is recognised. This results in an understatement of accrued revenues impacting the true financial position of the City. Void manual tickets issued are not recorded as void within MES. Management advised that the tickets must be handed to Municipal Law Enforcement (MLE) at the end of each day for filing, however are not entered into MES to allow for tracking of completeness of ticket books. This exposes the City to the risk of tickets being issued but not entered for follow up and payment, with no control to confirm that all tickets have been raised or voided appropriately. Aged AMPs are escalated to either the Ministry of Transportation (MTO), Credit Bureau of Canada (CBC), the City's Legal department or the courts, depending on the type of penalty. Where monies are collected, a portion is received by the City via a cheque or deposit, however the receipts of payments are not matched to the open tickets once they are collected by the third-party. This leads to having paid penalties remaining open on MES which prompts follow up to collect debts. The MTO provide a payment file along with their cheques paid to the City to allow for the paid penalties to be matched and closed off in MES. However, management advised that the file has not been uploaded to MES since February 2015 due to technical difficulties which arose at the last import. <p>We acknowledge that the City had a discussion regarding these issues with AMPs in February 2014, where it was identified that the system limitations of MES need to be addressed, and an interface between MES and PeopleSoft should be introduced. However, we understand no action has been taken since this discussion.</p> <p>(cont.)</p>	<p>Management agrees with recommendation 1, 2, 3 and 5. The integration of MES with PeopleSoft and recognition/analysis of the current/true financial position involving penalties raised is being investigated with the appropriate stakeholders (Finance, MLE, Legal).</p> <p>Without considerable system modifications recommendation 4 regarding "voided" tickets entered into MES is not feasible. In addition, the compensating control is that the completeness of ticket books can be reconciled based on the series, ticket numbers, tickets entered into MES and the void tickets submitted for filing. As "voided" tickets generally do not have complete information, it is not advisable for entry into MES.</p> <p>Owner: Kevin Feagan Due date: 31 December 2016</p>

Recommendations (cont.)

#	Risk	Management response, executive and deadline
1	<p>We recommend the following:</p> <ul style="list-style-type: none"> • The expected revenues from penalties raised should be accrued for within the General Ledger on a regular basis to reflect the City's true financial position at a point in time; • An analysis should be conducted to assess and determine the City's current financial position at a certain point in time. The amount of AMPs raised should be compared against the total penalties paid to calculate the true amount owing. An adjustment should be processed to accrue for this amount, and this exercise completed on a regular basis going forward; • At a minimum, a reconciliation should be conducted on an annual basis to determine the total value of AMP's issued against the total amount received for payment on an aggregate level to allow the General Ledger to accrue for the revenues owing; • All manual tickets issued and voided tickets should be entered into MES to allow for monitoring of completeness of ticket books; and • System updates or alternative systems for the administration of AMPs should be investigated to allow an automatic or manually assisted interface between MES and CLASS and PeopleSoft. 	
2	<p>● (amber) End-of-Week Cash count and reconciliation procedures for Garage 3 should be reviewed and improved</p> <p>We observed the process of how cash is collected from the Pay-On-Foot (POF) machines and reconciled at the end of the week for the bank deposit. Currently, the process is for the Shift Report to be printed from the WPS, the online system used for the administration of the POF machines and electronic garage gates, to dictate the weekly revenue amount to be deposited. The cash collected from the POF machine is then counted by the Technicians and money from the POF float box is used to balance the cash count to the reported revenue amount for the bank deposit. As coins are collected from the machines on a monthly basis, loose coins are taken from the float in order to make the cash count balance agree. Using this method of reconciliation at each weeks end, it is not possible to identify any leakage of cash from the weekly cash count as there is no record of the actual count from each machine.</p> <p>For an effective cash collection and deposit control to be functioning, we recommend the following process improvements and controls:</p> <ul style="list-style-type: none"> • Cash and coins in the POF machines should be collected simultaneously in order for the cash count at the end of the week to be complete and accurate in its reconciliation to the Shift Report. • Monies collected should be counted by the Technician and recorded on the Revenue Collection Summary form and then confirmed against the Shift Report as extracted from WPS by the Supervisor. Where the count amount must be adjusted, this should be recorded and tracked to assist in determining the source of any overages. • The reported amounts, from the count and the deposit amounts, should be independently verified by the Parking Maintenance Supervisor and evidenced on the Revenue Collection Summary to introduce segregations of duties into the collections procedure. 	<p>Management agrees with the recommendations.</p> <p>Finance Services has already completed an in-depth review of the process and issued a report with findings and recommendations, dated August 14, 2015.</p> <p>Finance Services and Parking will work together to ensure recommendations are implemented.</p> <p>Owner: Bill Grylls</p> <p>Due date: 31 December 2015</p>

Section Two

Recommendations (cont.)

#	Risk	Management response, executive and deadline
3	<p data-bbox="111 339 177 389">● (green)</p> <p data-bbox="195 339 929 393">End-of-day cash counting procedures and controls in practice at sites around the City of Oshawa require enhancement</p> <p data-bbox="195 410 973 437">Through walkthroughs and testing, the following observations were noted:</p> <ul data-bbox="195 451 973 1280" style="list-style-type: none"> <li data-bbox="195 451 973 658">• At the end of each day, each cashier is responsible for closing their respective tills, and completing the CLASS Point Of Sale (POS) Cash Summary Report to show the reconciliation between cash collected during the day and the POS Daily Sales Report. The Cash Summary Report at Service Oshawa is independently reviewed by the Customer Service Coordinator the next day, while the Legends and Civic Centres undergo a same-day peer review. In conducting testing on the three sites, we observed the following: <ul data-bbox="291 673 973 797" style="list-style-type: none"> <li data-bbox="291 673 973 727">• Legends Centre – 2/20 Cash Summary Reports did not have evidence of peer review and sign off; and <li data-bbox="291 741 973 797">• Civic Centre – 1/18 Cash Summary Reports did not have evidence of peer review and sign off. <li data-bbox="195 812 973 936">• When GardaWorld collect funds from each site, sign-off is required by the City employee who is giving the cash to the GardaWorld staff. This is not required at all sites, as at the Legends Centre – 4/5 deposits selected did not have evidence of the City's employee's signature on the Gardaworld pick-up slips. <li data-bbox="195 951 973 1137">• A quarterly cash-on-hand audit is conducted of the float amounts at each site on direction by the Financial Analyst, which is evidenced by an attestation completed by the Site Manager and delegated Cash Float Custodian. The audit is not independently verified, and is often completed by the employee responsible for the float or overseeing the float on a daily basis. We also note that the audit has not been conducted since Q4 of 2014. <li data-bbox="195 1152 973 1280">• A robust Payment Handling policy exists at the City which includes appropriate requirements for approvals and consideration in the end of day cash handling procedure. However, the date of last review was in December 2011, and it is evident from our walkthroughs that the policy is not enforced or communicated to the sites. <p data-bbox="195 1295 511 1321">We recommend the following:</p> <ul data-bbox="195 1336 973 1655" style="list-style-type: none"> <li data-bbox="195 1336 973 1460">• End of day cash handling procedures should be enhanced to include a requirement for all cashier's cash counts to be independently reviewed by a line manager to introduce segregations of duties in the cash counting, reconciliation and deposit processes. All reviews should be evidenced by a signature; <li data-bbox="195 1475 973 1558">• The Quarterly Cash-on-Hand Audit process should be improved to require an independent cash count on a random basis by a Finance team member to enhance the effectiveness of the audit; and <li data-bbox="195 1572 973 1655">• The Payment Handling Procedure should be reviewed and updated and re-communicated to all staff members to ensure consistent application of all key cash handling controls across locations. 	<p data-bbox="991 339 1300 393">Management agrees with the recommendations.</p> <p data-bbox="991 410 1358 596">An evaluation of the policy and procedures will be undertaken to ensure compliance and consistency across all sites. Finance will work with the affected areas to ensure processes are communicated and understood.</p> <p data-bbox="991 611 1315 694">In addition, spot checks will be completed by Finance on a random site monthly basis.</p> <p data-bbox="991 708 1186 735">Owner: Jay Martin</p> <p data-bbox="991 750 1258 777">Due date: 31 March 2016</p>

Section Two

Recommendations (cont.)

#	Risk	Recommendation	Management response, executive and deadline
4	● (green)	<p>Coin Order Requests for cash top up at the sites requires improvement</p> <p>Of the sites considered as a part of fieldwork for the audit, the Civic Centre and Legends Centre all regularly request cash float top-up direct from the Bank. As a part of this process, we identified that:</p> <ul style="list-style-type: none"> All Recreation Information Clerks have authority to request cash top up by completing a Coin Order Request form which is faxed directly to RBC, without the requirement of Manager review or approval. Management at the Legends Centre advised that cash top up is requested multiple times weekly, with no enforced limit on the dollar amount each cashier is authorised to request. While the Civic Centre requests on a less frequent basis, the same process is in practice. We note that each site employs seven cashiers – three full time staff, four part time staff, all with authority to request cash top ups. Coin order requests made by the Civic Centre are not tracked to monitor the frequency of requests and amount being requested in each instance at the site level. The flow of funds to and from the coin deposit till is also not monitored to track the flow of funds within the Centre, including the movement of float from till to till. <p>We recommend the following:</p> <ul style="list-style-type: none"> Authority to approve a request for cash top-up direct from the City's bank account should be restricted to Site Managers, and a policy should be developed. Thresholds should also be defined to limit the maximum cash withdrawal as appropriate for each site; and The use of the Coin Order Balance Sheet and the requirement for communication of requests to Finance in place at the Legends Centre should be put in place at the Civic Centre and other sites, to allow for tracking of requests of fund top-ups. 	<p>Management agrees with the recommendations.</p> <p>A review of the policy and procedures has already commenced.</p> <p>Finance will work with the affected areas in communicating appropriate processes and controls to ensure consistency across all sites.</p> <p>Owner: Jay Martin</p> <p>Due date: 31 December 2015</p>
5	● (green)	<p>Use of user profiles within PeopleSoft should be employed</p> <p>We noted that in the AR function, the use of user profiles in PeopleSoft has not been implemented. Access for new starters is granted by mirroring the access of another employee in a similar role, and administered on a screen-by-screen basis by the Business Analyst. We acknowledge that the user access profiles have been rolled out and implemented in the HR and Payroll functions with plans to implement similar profiles in AR in the near future with the upcoming PeopleSoft upgrades.</p> <p>In reviewing the listing of employees with access to raised invoices in PeopleSoft, we noted that one user is not a current employee with the City, who's access should be removed and a review conducted to ensure that no further access are still active to other PeopleSoft modules.</p> <p>As a part of good practice we recommend that in advance of the roll out, a formal policy and procedure be developed to define the specific user profiles which already exist and the roles which are to be created, as well as the policy on requesting and granting use access with appropriate approvals and periodic reviews.</p>	<p>Management agrees with the recommendations.</p> <p>The evaluation of user profiles across all PeopleSoft Financial modules (including A/R) is a component of the upgrade. It would be inefficient to adjust profiles prior to the upgrade on low risk areas.</p> <p>Owner: Tim Dwyre</p> <p>Due date: 30 June 2017</p>

Section Two

Recommendations (cont.)

#	Risk	Recommendation	Management response, executive and deadline
6	● (green)	<p>Petty Cash handling management and administration requires improvement</p> <p>One petty cash site was tested as a part of fieldwork where it was observed that approval of the employee's reimbursement is performed by the Fire Services Administrative Clerk, who also maintains the petty cash on a daily basis and distributes the reimbursements. We understand that while medical certificate expenses can be reimbursed without manager approval, as per the Fire Hall's Collective Agreement, other expenses require direct manager approval. Of the ten petty cash expense reimbursements tested as a part of fieldwork, five related to non-medical expenses. All five expenses were noted to be approved by the Fire Services Administrative team.</p> <p>Furthermore, the method used to track petty cash transaction shows only the dollar value paid out, and does not include details of the employee, the expense or the relevant approvals. Only current transactions are tracked for the month, with no historical data maintained to evidence past transactions or petty cash balances.</p> <p>We recommend that a petty cash policy be developed and communicated to all the relevant sites across the City of Oshawa. The policy should require that approval be obtained from the employee's direct Supervisor or Manager to check appropriateness of the expense claimed and to ensure appropriate segregations in the petty cash process. A more detailed expense tracking template should also be developed and rolled out to all sites with petty cash to evidence cash reimbursement details such as employee's name, details of expense and amounts paid out with appropriate approvals in order to assist in petty cash reconciliations and overall integrity of the City's financials.</p>	<p>Management agrees with the recommendations.</p> <p>An evaluation of the policy and procedures will be undertaken to ensure compliance and consistency across all sites. Finance will work with the affected areas to ensure processes are communicated and understood.</p> <p>Owner: Jay Martin</p> <p>Due date: 31 December 2015</p>
7	● (green)	<p>Robust controls should be developed and documented around the manual gate openings at the Garage</p> <p>Parking Attendants and Security Guards working in the Garage have access to manually open the parking gate to allow users to exit without a transaction being processed at the parking booth. The process is for it to be documented in a log with the user's name, time and reason for opening in a log to justify each instance. This log is then manually agreed against the electronic log maintained by the WPS system which records the time and date of each manual opening. However, these checks are not recorded or documented.</p> <p>The Manager of Municipal Parking, Works and Transportation advised that there have been instances in the past with the Security team where the two logs have disagreed, or inadequate reasoning has been provided as an explanation.</p> <p>We understand that a new security company has been contracted. We recommend that procedures be developed and documented around the management of manual gate openings to place the onus on the Security Guard to ensure there is sufficient explanation of the reason for manually opening the gate. This procedure should be communicated to all new staff working in the Garages. The manual gate opening audit should also continue to be conducted, however it should be formally recorded and evidenced to support instances where the logs do not agree.</p>	<p>Management agrees with the recommendation.</p> <p>A review has been undertaken recently which has already shown significant improvements in the process.</p> <p>Further communication is required with Parking Customers to ensure they remember transponders to get enter and exit the gated parking systems.</p> <p>Owner: Bill Grylls</p> <p>Due date: 31 March 2016</p>

Section Two

Recommendations (cont.)

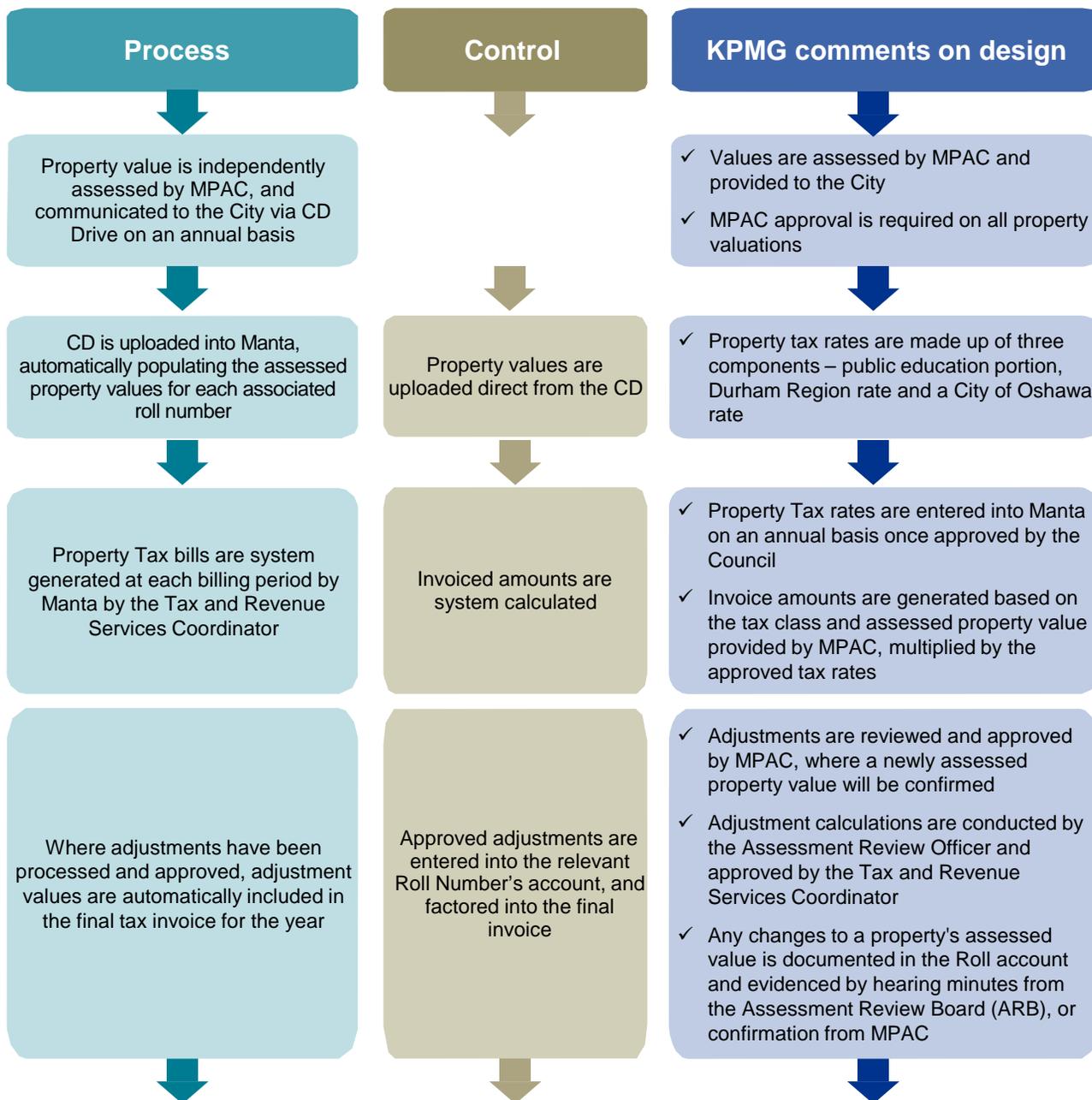
#	Risk	Recommendation	Management response, executive and deadline
8	<p>● (green)</p>	<p>Consider potential opportunities to streamline and centralise the key AR processes</p> <p>From our work, we note opportunities to streamline processes and adopt lean principles which could increase efficiency of operations:</p> <ul style="list-style-type: none"> • The administration of the AR function currently operates in a siloed manner, with each revenue stream and receipting method handled in isolation to other areas. For example, the administration of the various user fee invoices are managed very independently of each other, with each department responsible for invoice raising for their relevant services. This leads to 46 employees with access to raise invoices in PeopleSoft, with many key personnel unaware of the operations external to their own department. This also leads to a degree of key personnel risk with many employees interviewed throughout fieldwork, being unaware of processes extending beyond their role. • The multiple systems used in the AR process for the various revenue streams requires a large amount of manually-assisted interfaces for the information to be processed. On either a daily or weekly basis, files must be separately exported out of various systems for import into others for transaction information and journal entries to be communicated across systems. For example, the Financial Analyst exports a report from CLASS every morning, for interface into PeopleSoft for journal entries to be posted to the General Ledger. Separate interfaces are required to be run for invoices to be matched and closed off for the various revenue streams. This is due to having four systems in operation – Manta, CLASS, PeopleSoft, and MES – which do not have a live interface. <p>To enhance operations, we recommend the following be considered:</p> <ul style="list-style-type: none"> • Monitor key AR metrics such as time from invoice raising to collections, and number of invoices raised per day in each department, to be able to accurately track improvements and identify opportunities for lean practices to be introduced; • Undertake a review to consider centralizing staff in the AR function who have responsibilities for raising invoices to bring them under control of Finance, but still have reporting responsibilities to departments. This could increase flexibility of staff and the AR function, and improve control; • Conduct an internal Finance Workshop to inform each team member of the operations of the other areas within AR. This would increase awareness of other roles in the key finance processes; and • Develop a longer term IT strategy for Finance to allow the development of interfaces between the various platforms. 	<p>Management agrees with the recommendations.</p> <p>Centralization of the AR function should be implemented to standardize the process and adoption of LEAN principles would create additional efficiencies. Although, due to the corporation's size and multiple locations, some independency is still required but could incorporate a hub approach for collections.</p> <p>A training strategy and system utilization plan for A/R will be developed.</p> <p>A strategy needs to be developed and communicated with IT for system interfaces.</p> <p>Owner: Tim Dwyre</p> <p>Due date: 31 March 2017</p>

Appendix A: Summary of work and assurances

In line with the objectives of the scope, we have assessed the processes and controls in place around invoicing and receipts, and cash handling. The following Appendix demonstrates the relevant processes we have identified and the key controls in place to mitigate risks. We have commented on the design of these controls in the right-hand column. Where controls have been deemed to be designed effectively, we have gone on to test their operating effectiveness in Appendix B.

Invoicing and collection process

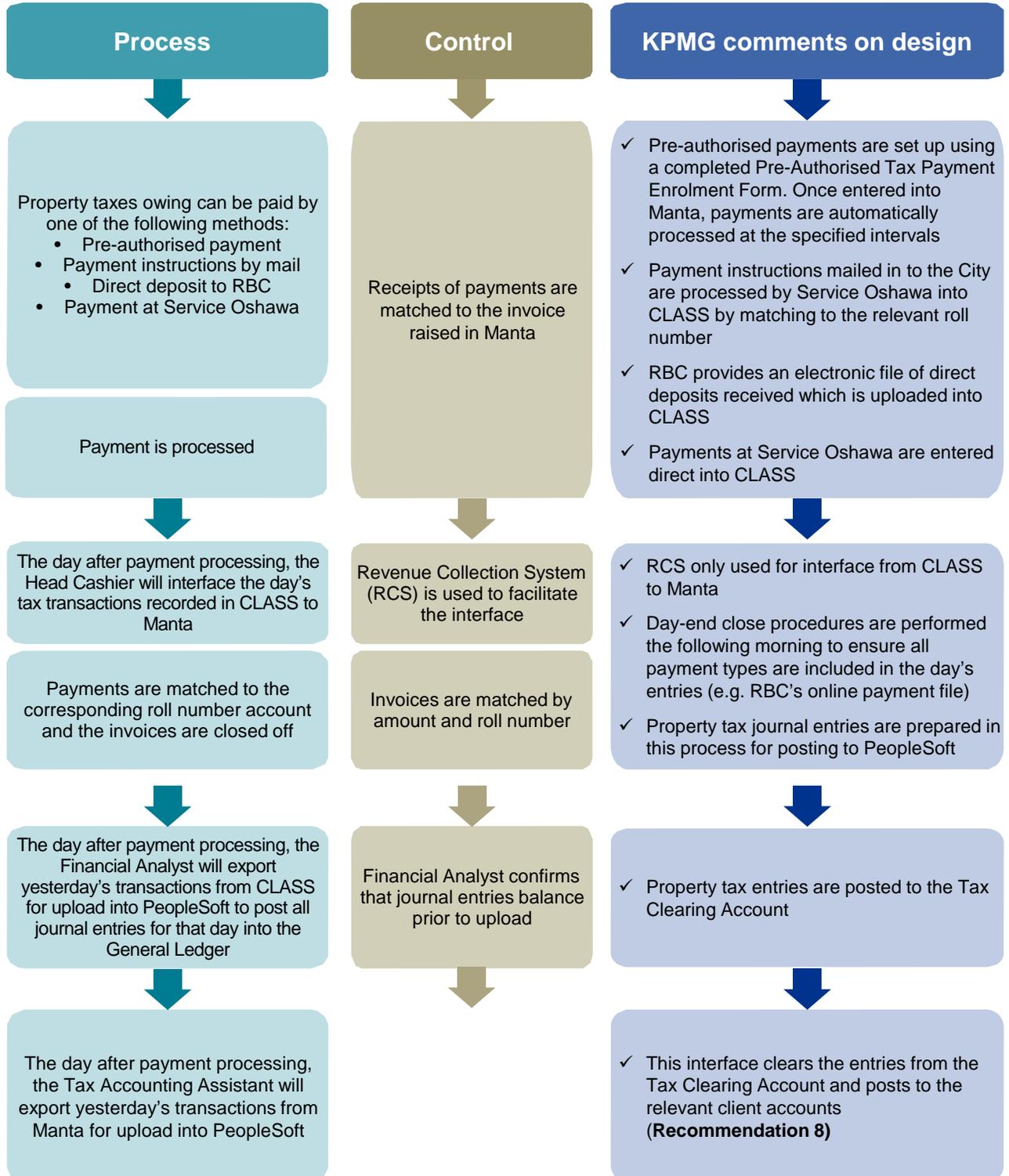
Property Taxes



Appendix A: Summary of work and assurances (cont.)

Invoicing and collection process

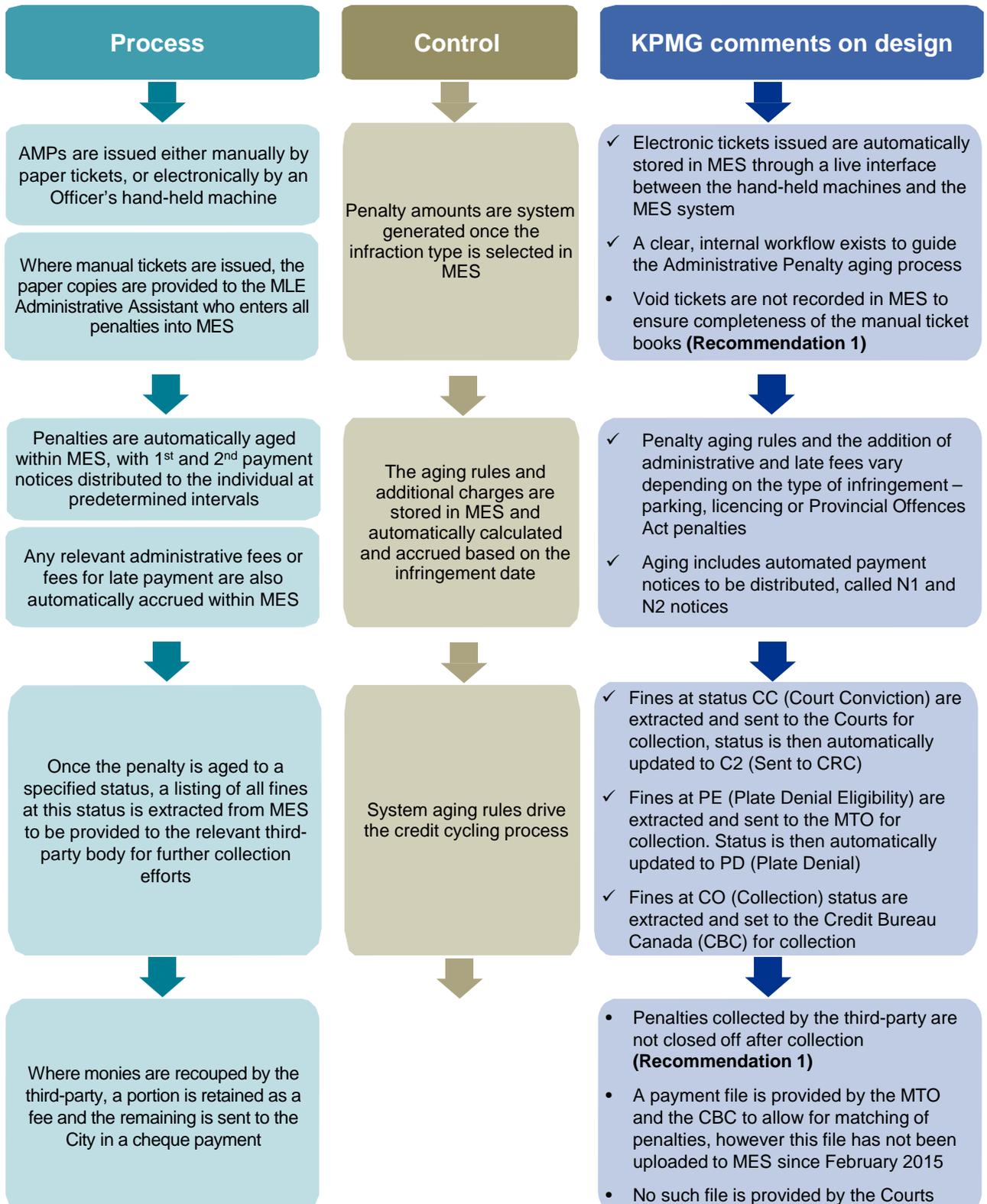
Property Taxes (cont.)



Appendix A: Summary of work and assurances (cont.)

Invoicing and Collections Process

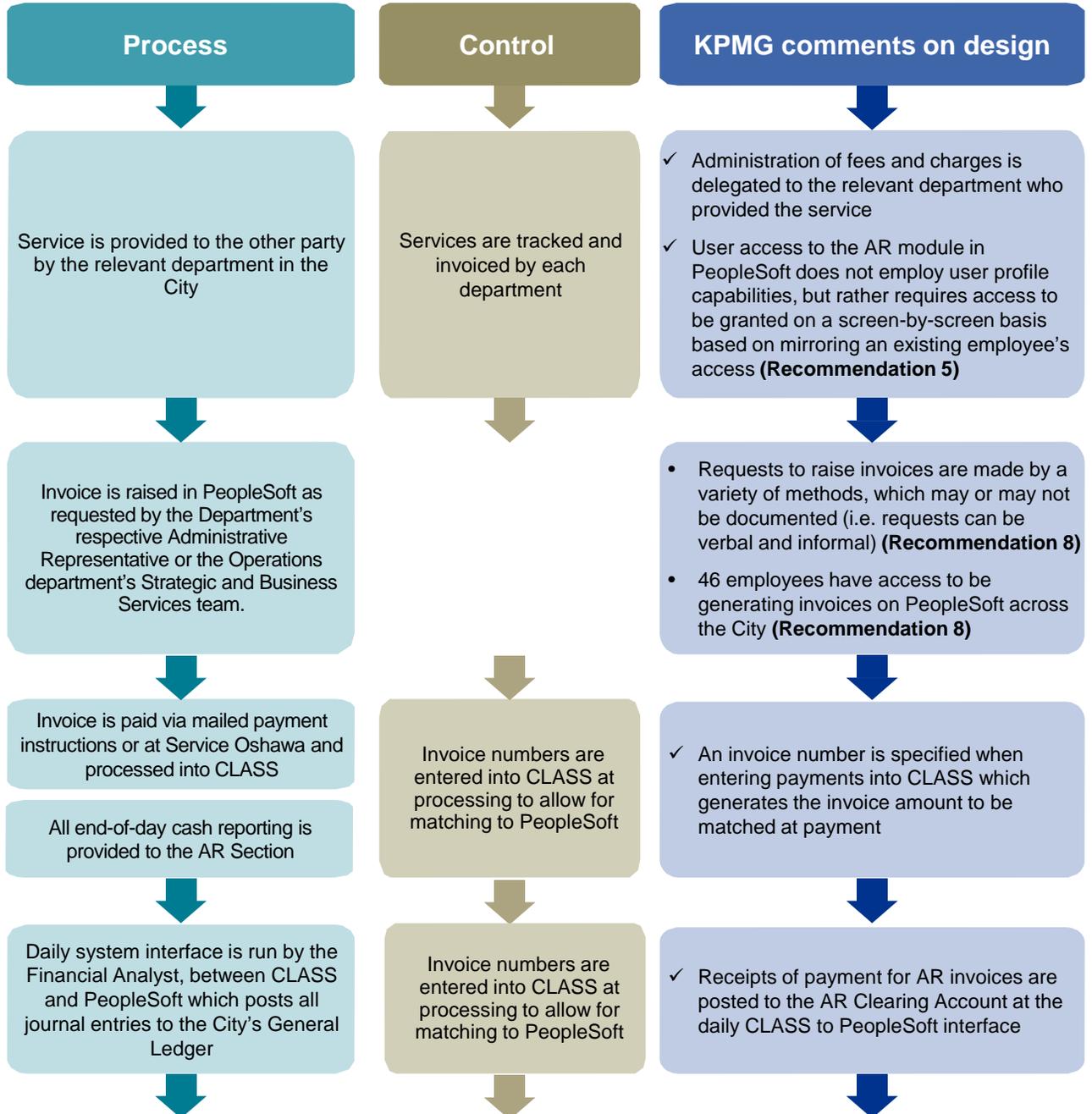
Administrative Municipal Penalties



Appendix A: Summary of work and assurances (cont.)

Invoicing and Collections Process

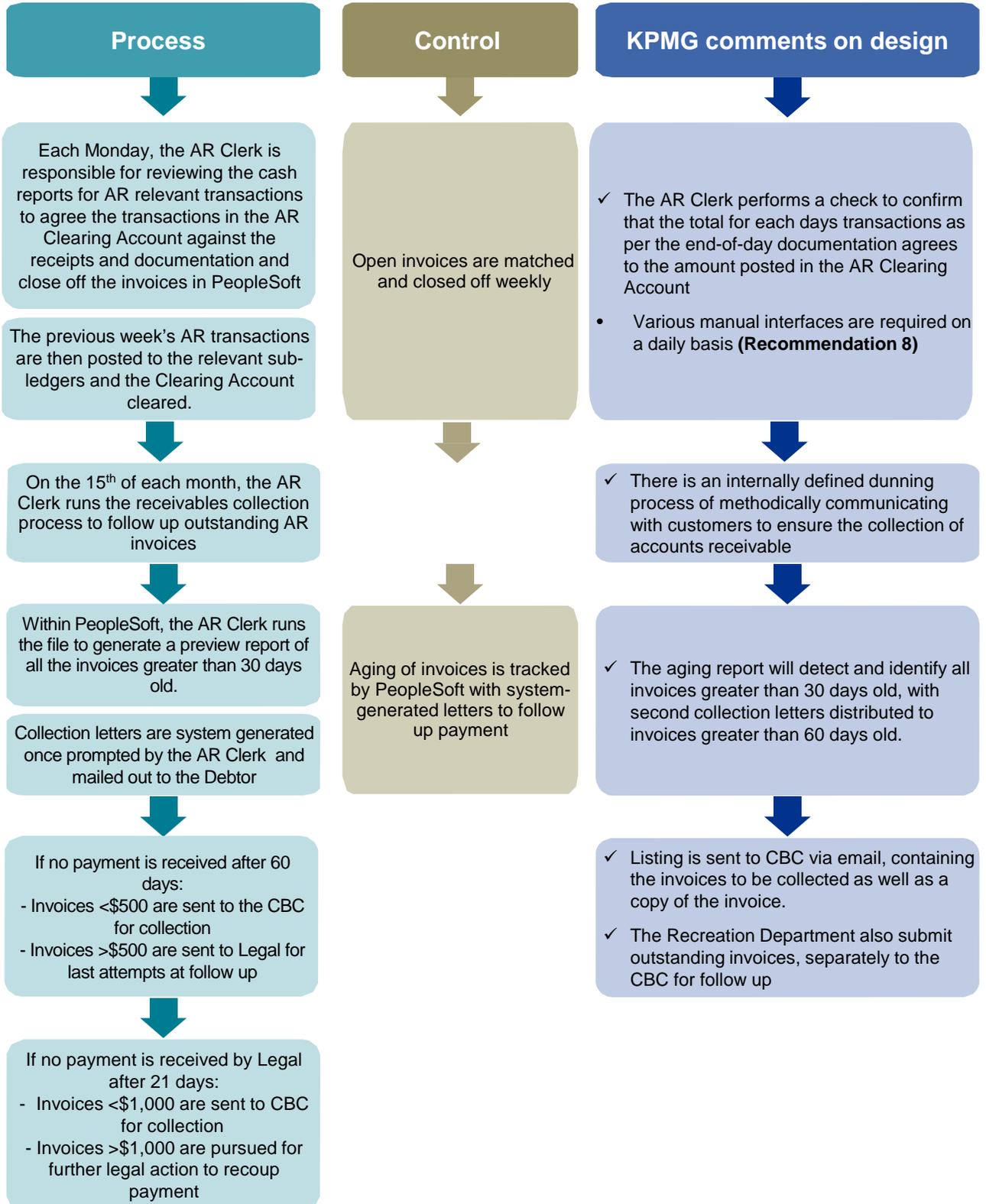
User Fee Invoicing and Collections



Appendix A: Summary of work and assurances (cont.)

Invoicing and Collections Process

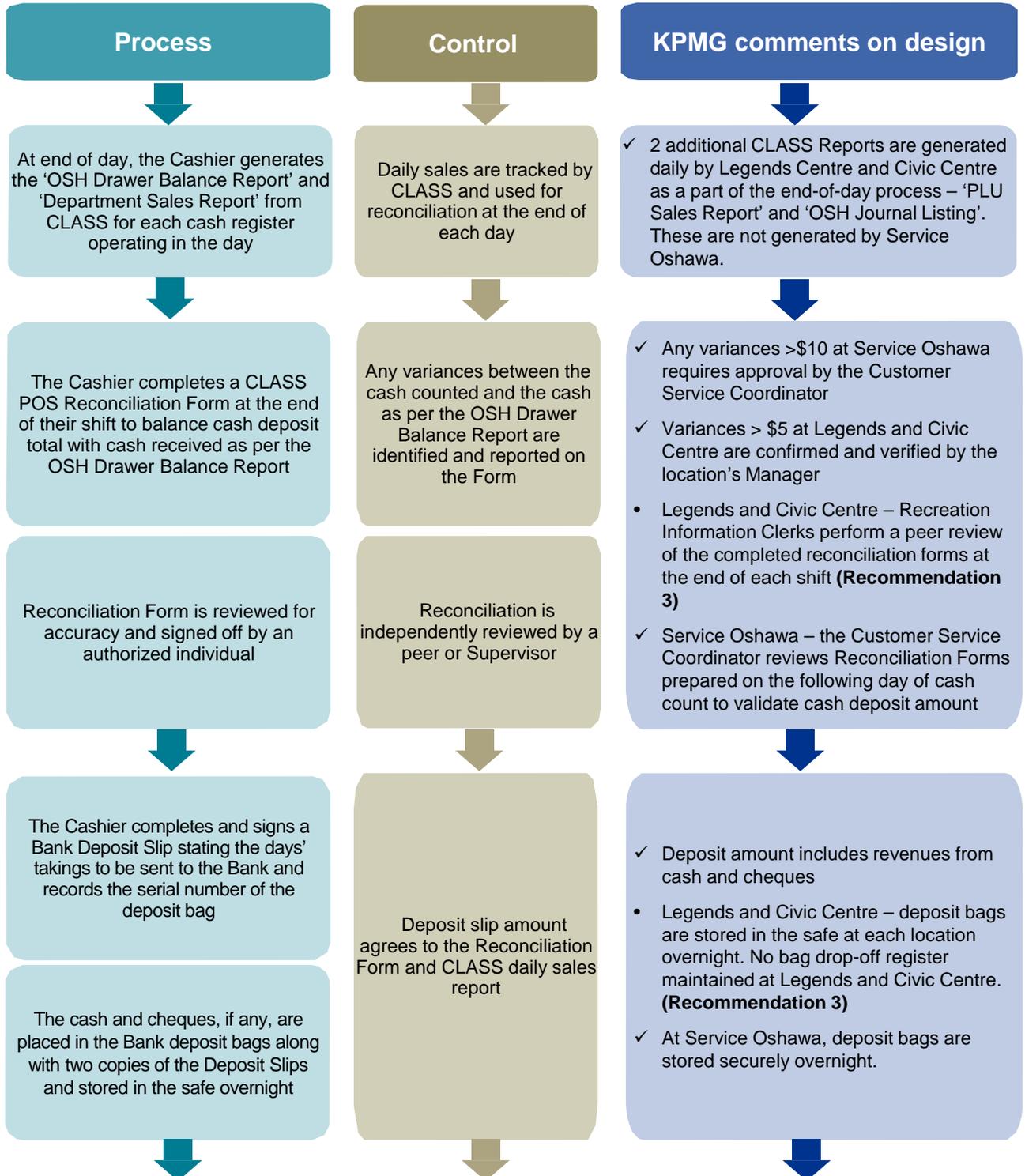
User Fee Invoicing and Collections (cont.)



Appendix A: Summary of work and assurances (cont.)

Cash Handling

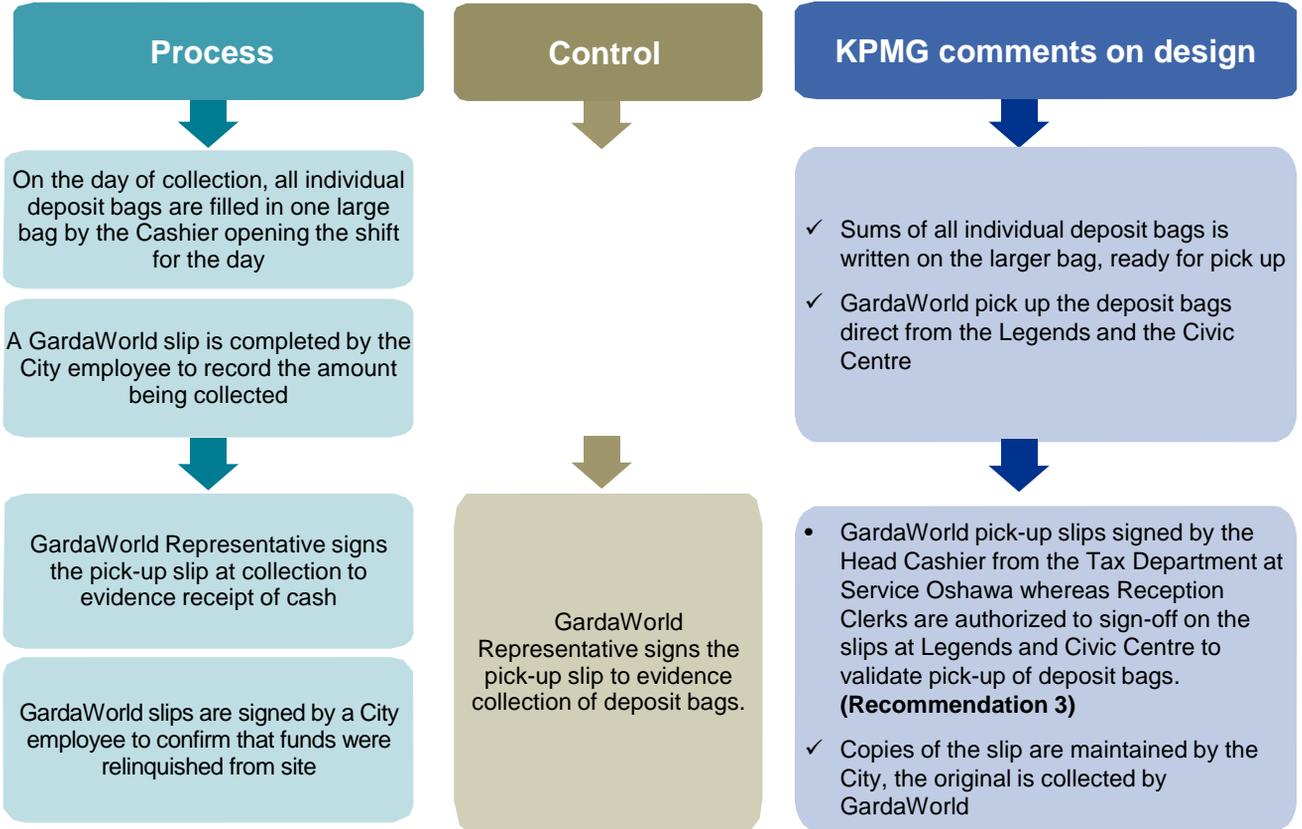
End-of-day Cash Counts and Deposits



Appendix A: Summary of work and assurances (cont.)

Cash Handling

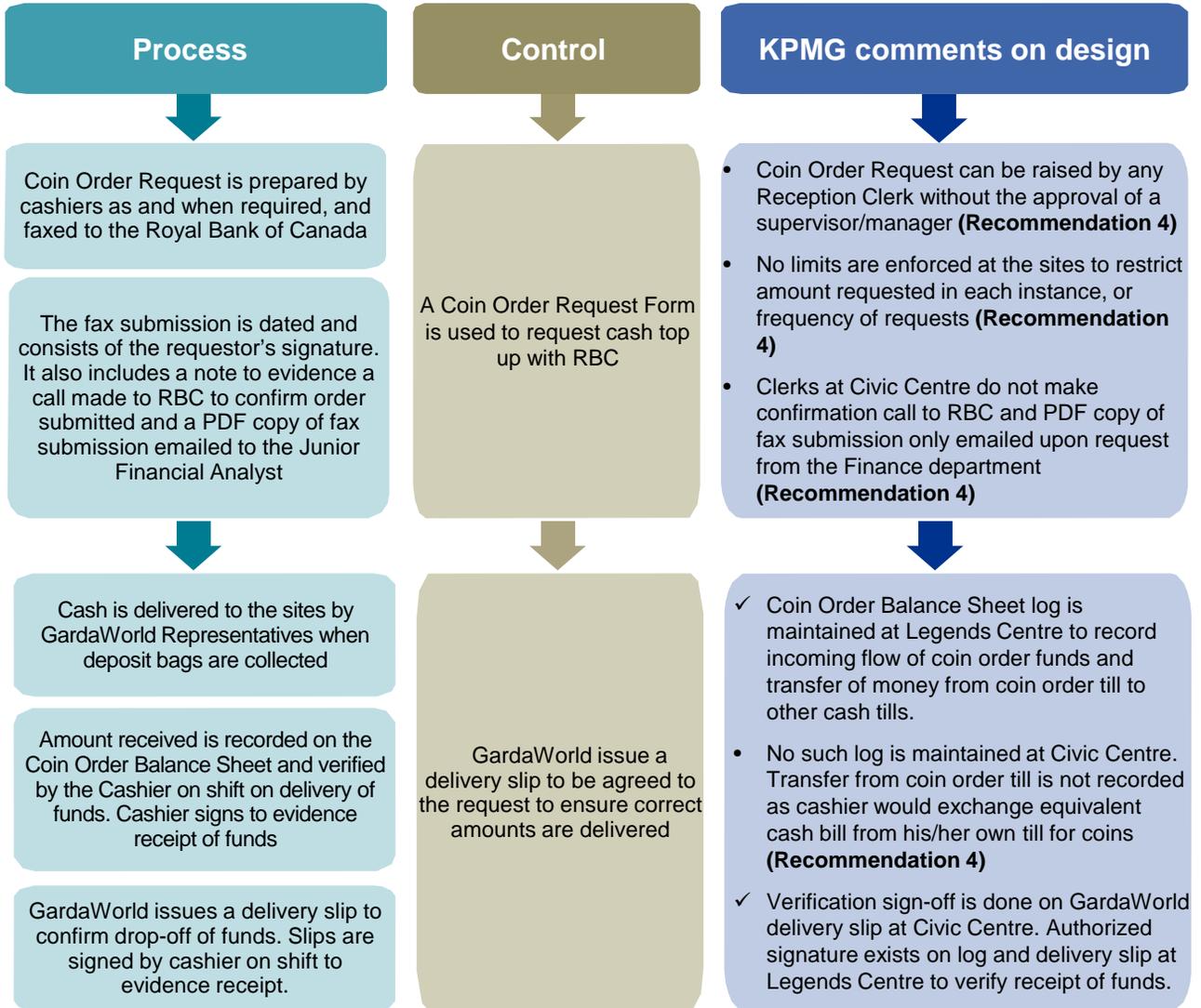
End-of-day Cash Counts and Deposits (cont.)



Appendix A: Summary of work and assurances (cont.)

Cash Handling

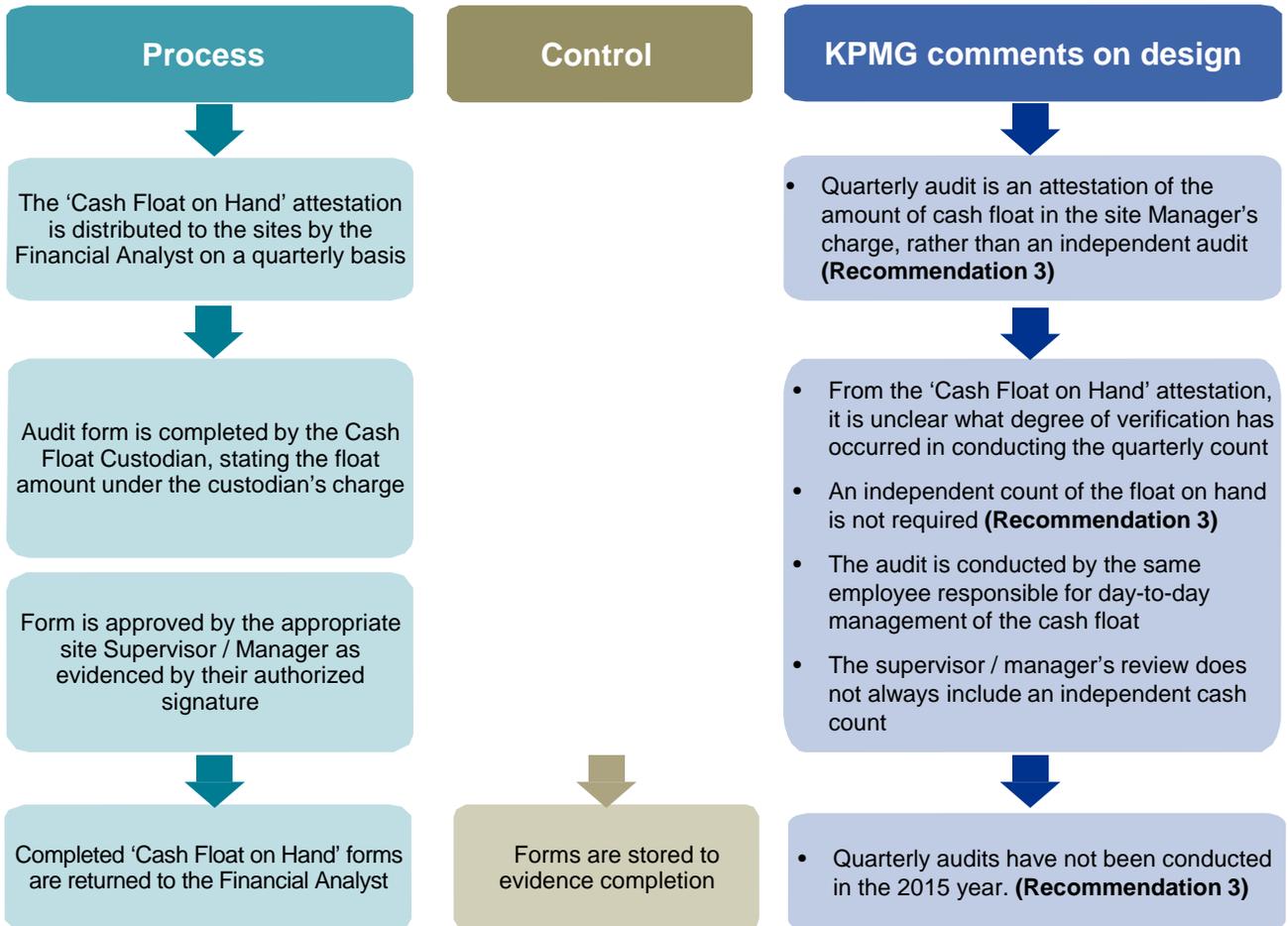
Cash Float Top-Up Requests



Appendix A: Summary of work and assurances (cont.)

Cash Handling

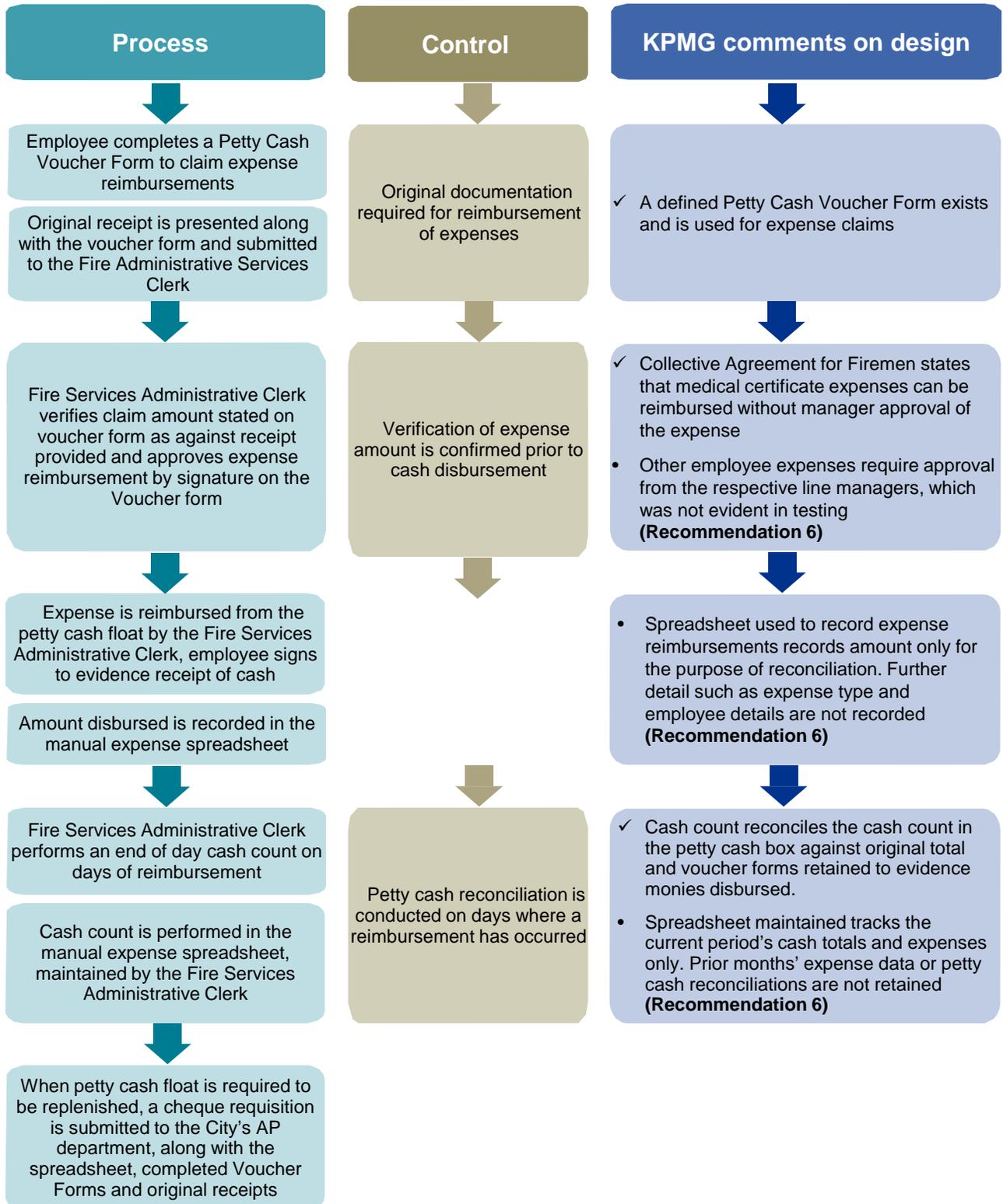
Quarterly Cash Float Audits



Appendix A: Summary of work and assurances (cont.)

Cash Handling

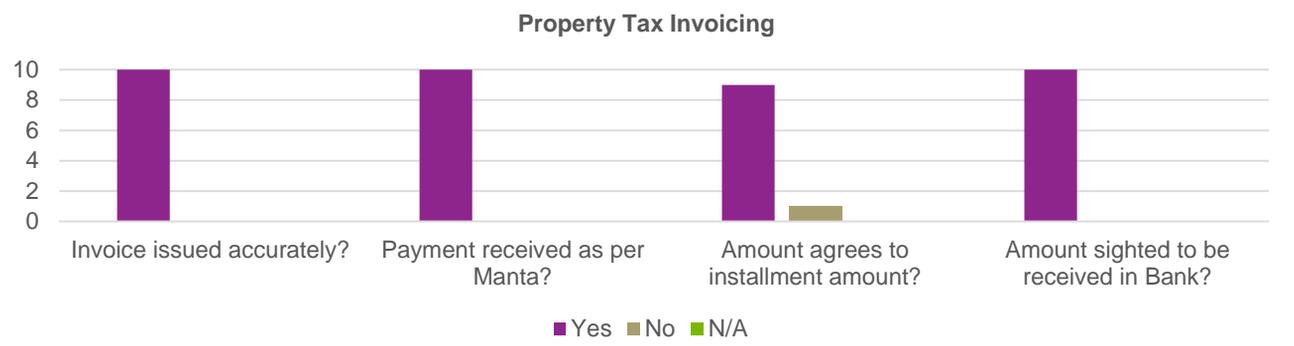
Petty Cash Transactions (Fire Services)



Appendix B: Summary of testing results

We summarise below the results of the compliance testing we have performed over the controls in place.

Property Tax Invoicing

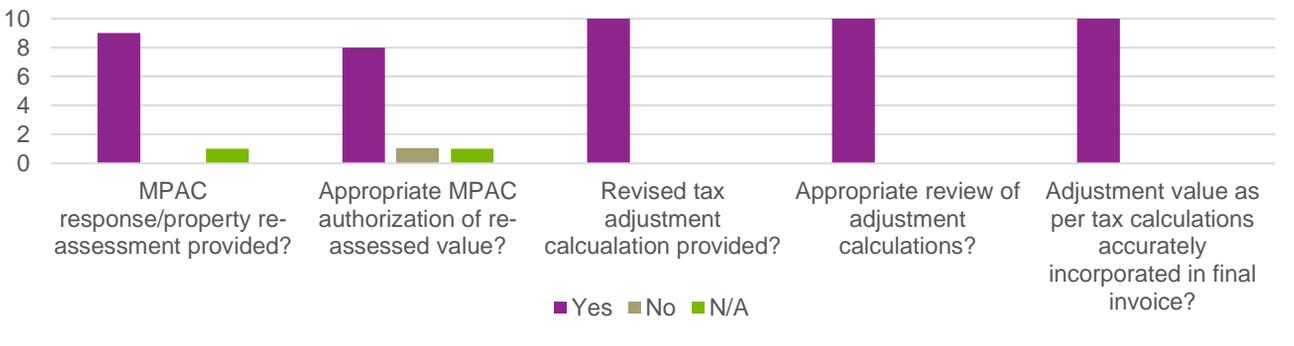


Findings

We selected a sample of ten property tax invoices raised between the period of December 2014 – May 2015. These encompassed mostly interim invoices issued to residential properties. We noted the following:

- ✓ 10/10 invoices were raised accurately in a check of the invoice details and amount
- ✓ 10/10 invoices had subsequently had an instalment payment made, as evidenced and matched to the Manta Roll account
- ✓ 9/10 instalment payments agreed to the instalment amount due. The one sample showed a variance between the two amounts, however this was due to an adjustment that was processed to the account after the interim invoice had been issued. The correct amount was accurately processed by the Head Cashier.

Property Tax Adjustments



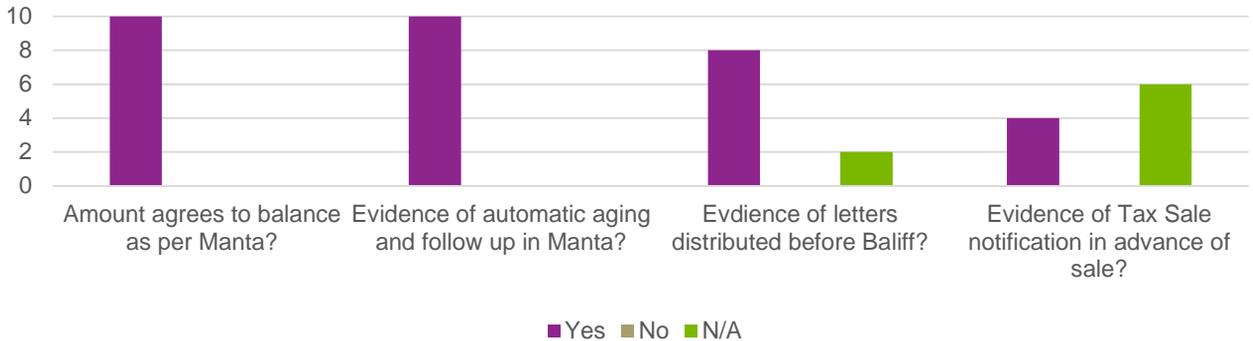
Findings

We selected a sample of ten write offs processed in 2014 to be able to test the adjustment calculation process and it's subsequent accurate inclusion into a property tax invoice. We requested all the supporting documentation behind the reassessment and calculation and evidence of review and approval of the adjustment amount. We noted the following:

- ✓ 9/10 samples had evidence of MPAC's response or property re-assessment valuation to support the new value. One sample related to an automated adjustment from an update to the Municipal Housing Project Facilities Agreement for a property that was eligible for a rebate as the housing unit met the definition of 'affordable housing'.
- ✓ 8/10 samples showed appropriate authorisation of the reassessment by a MPAC representative. One exception related to affordable housing rebate, where MPAC approval was provided by the notice of re-assessment due to a change in the factual information relating to the property. The other exception did not have evidence of MPAC's approval, as management advised that approval was provided by email. However the email communication was unable to be provided.
- ✓ 10/10 samples had evidence to support the calculation of the adjustment by the Assessment Review Officer, had evidence of independent review of the calculations by the Coordinator, Taxation and Revenue Services, and was appropriately included in the final invoice issued in June 2015 as evidenced by the invoice.

Appendix B: Summary of testing results (cont.)

Property Tax Aged Debtor Follow-up

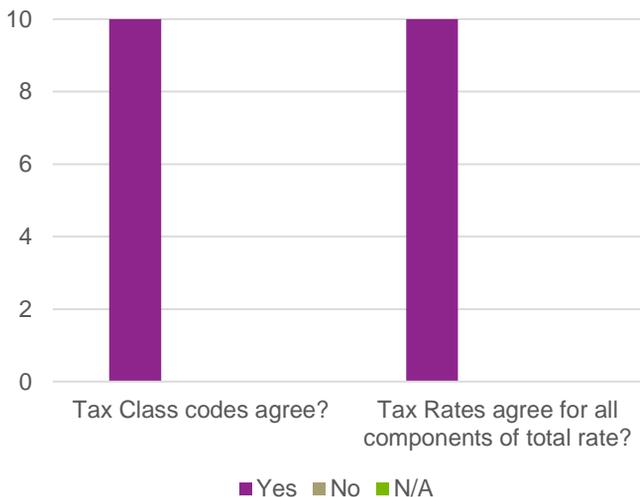


Findings

We selected a sample of ten accounts from the Aged Trial Balance listing of Property Taxes from Manta, as at 16 June 2015. Using this sample, we requested evidence of the City's efforts to follow up payment through to Tax Sale, if applicable. We noted the following:

- ✓ 10/10 instances the balances were agreed to the Roll accounts balances in Manta
- ✓ 10/10 showed evidence of automatic aging and system generated Tax Arrears Warning Notices at predetermined intervals
- ✓ 8/10 included letters distributed to the property owner to notify them of their amount owing being sent to the Bailiff for escalation of debt collection. For two instances selected, payment was received before this was required.
- ✓ 4/10 included evidence of notification of Tax Sale being provided to the property owner in advance of the sale. The remaining six samples did not advance to Tax Sale stages.

Property Tax – Table of Rates



Findings

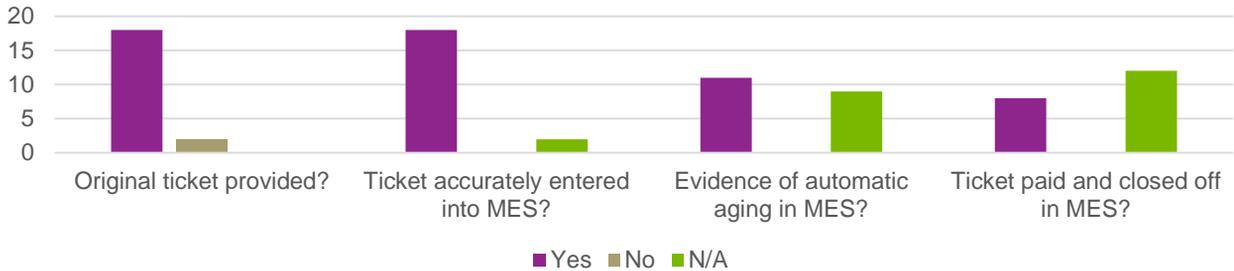
Property Tax invoices are generated by the Manta based on the schedule of tax rates stored within the system by the Tax Revenue Accountant Coordinator. We selected a sample of 10 property tax classes to confirm the accuracy of the three component tax rates and total tax rate against the rates prescribed by the Region. We noted the following:

- ✓ For 10/10 tax classes tested, the tax codes agreed between the Manta System and the Durham Region prescribed table
- ✓ 10/10 samples, each component rate and the total tax rate for the class agreed between the two sources.

Appendix B: Summary of testing results (cont.)

Administrative Municipal Penalties

Penalty Issuance

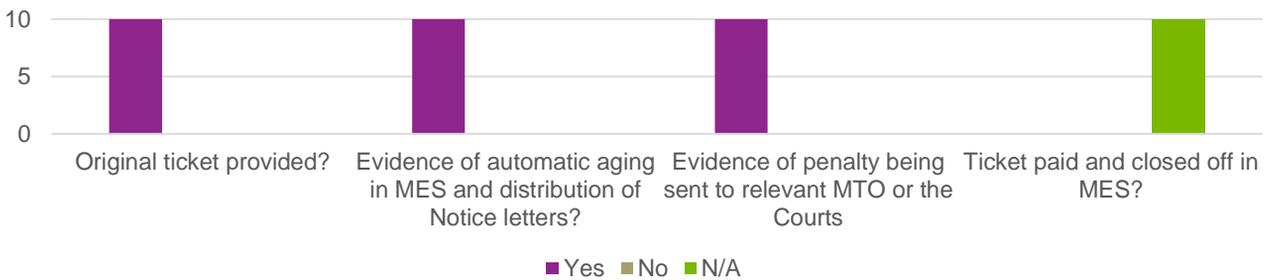


Findings

We obtained a listing of all AMPs issued between December 2014 to May 2015 and selected a sample of 20 penalties issued across this period. We requested copies of the original ticket issued, as well as the ticket history within MES and noted the following:

- ✓ For 18/20 samples selected, we confirmed the accuracy of the penalty raised in MES against the original ticket completed by the Officer. Two penalties have had court hearings requested, and documentation was forwarded to the Courts along with the copies of the original tickets issued. They were unable to be provided to confirm the details for accuracy.
- One sample selected related to a ticket originally issued as a warning as noted by the Officer at the time. The ticket was incorrectly entered into MES and aged as per the system’s automated aging process. It was not detected to be raised in error until testing commenced, where it was subsequently cancelled. **(Recommendation 1)**
- ✓ 11/20 samples selected showed evidence of the automated aging process in MES with appropriate notice letters distributed at the predetermined intervals. Nine samples did not reach the aging stage as they were either paid within the original due date or related to the two court hearing request samples above.
- ✓ 8/20 penalties have been paid through CLASS and showed evidence of the payment matching within MES to close off the open penalty.

AMP Aging and Collections



Findings

Using the listings of penalties escalated to the Courts (for the Provincial Offences Act offences) and the MTO (for parking and vehicle infringements) for follow up, we selected a sample of 10 (five to the Courts, five to the MTO) to review the appropriateness of the penalty aging process.

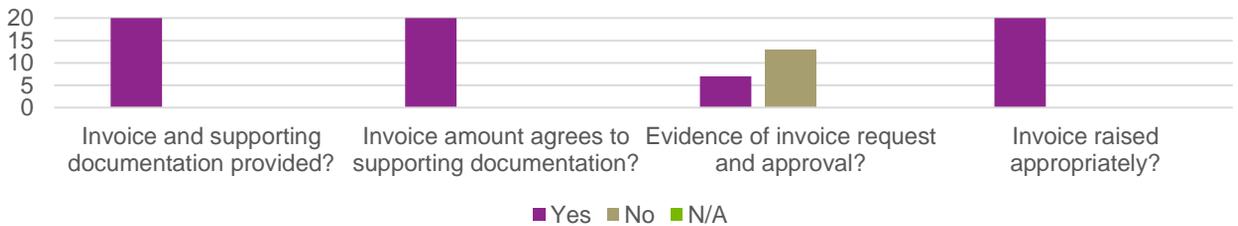
- ✓ 10/10 samples we confirmed the accuracy of the penalty issued in MES, against the original ticket completed by the Officer.
- ✓ 10/10 samples had evidence of appropriate aging as per their respective processes for their type of infringement to either the ‘Court Conviction’ (CC) status or ‘Plate Eligible’ (PE) status, as appropriate.
- ✓ 10/10 samples had evidence of the penalty being escalated to the Courts or MTO by inclusion into the Excel listing sent to the respective bodies.
- No evidence was available to determine if the ticket had been subsequently collected and a portion of the funds provided to the City as penalties are never closed off in MES. **(Recommendation 1)**

Note: Penalties escalated to the CBC were not selected as we were advised no penalties have been sent to them since September 2014. As such, the period was out of scope.

Appendix B: Summary of testing results (cont.)

User Fee Services Invoicing

User Fee Invoicing Testing



Findings

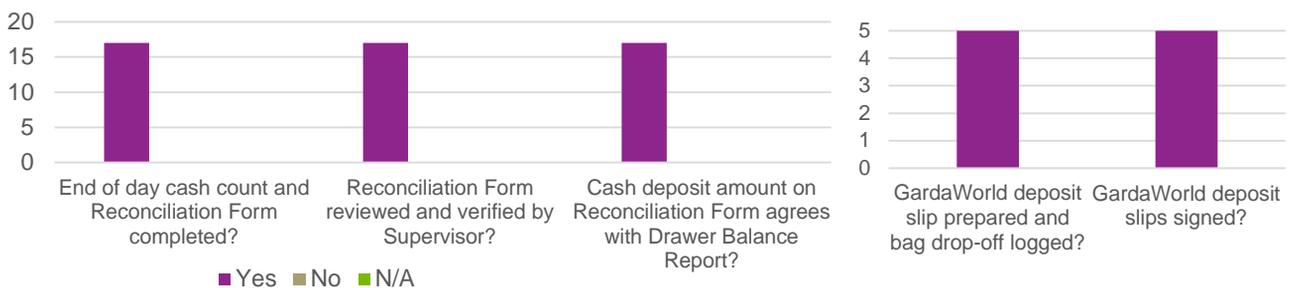
We obtained a listing of all invoices raised in PeopleSoft between December 2014 to May 2015. Using this export, we identified the common User Fees with the Coordinator, Taxation and Revenue Services and selected a sample of 20 invoices. The following was noted:

- For 20/20 sampled items, documentation was provided to support the invoice in respect of services provided, amount invoiced and any calculations if required. For one item, we note that an unexecuted contract was acted upon and invoiced in relation to roof rental space for solar panels for the amount of \$17,240. Email correspondence was sighted to evidence the agreement between the City and the vendor, however the contract was not formally executed.
- For 7/20 invoices selected, evidence of request and approval for the invoice were able to be provided. Management advised that invoices are not always formally requested, and can often be verbally communicated or via other informal methods, leading to the remaining 13 samples being unable to be evidenced. **(Recommendation 8)**
- ✓ For 20/20 sampled items, final invoices were provided to confirm that the invoice was raised accurately and in accordance with the supporting documentation provided.

Due to the nature of the administration of user fee invoicing, we were unable to trace the invoices through to receipt of payment within the scope of work.

Service Oshawa – Cash Handling Testing

End-of-Day Cash Count Testing



Findings

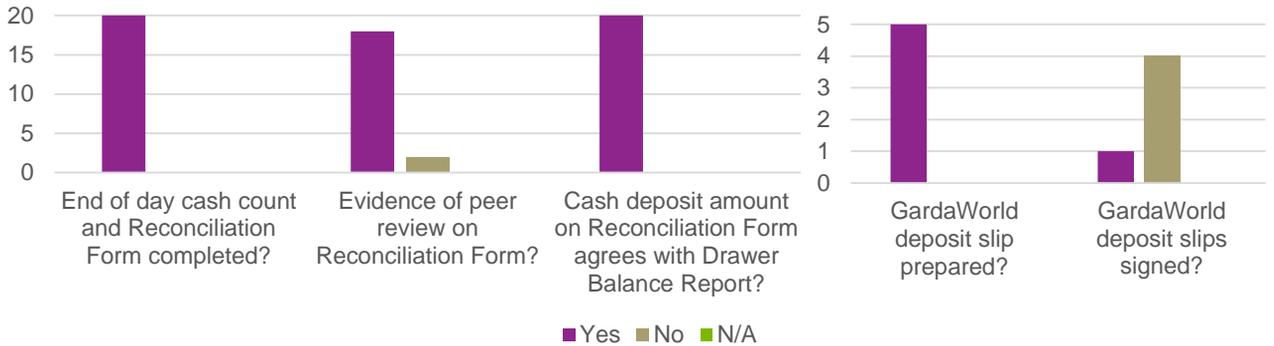
We selected a sample of five days between March to May 2015 and requested the end-of-day documentation prepared to reconcile, close and deposit the cash collected in the day. Across the five days selected, multiple tills operated in the day which required separate end-of-day processes, leading to a sample of 17. All registers were selected for testing and the following was noted:

- ✓ 17/17 samples had a Reconciliation Form completed with evidence of the end-of-day cash count by the Customer Services Representative
- ✓ 17/17 samples had evidence of Manager's review by sign off on the Reconciliation Form by the Customer Service Coordinator.
- ✓ 17/17 samples had a reported cash deposit amount which agreed with the balance from the CLASS-generated Drawer Balance Report
- ✓ 5/5 samples had completed GardaWorld deposit slips prepared accurately, and evidence of the deposit bag being dropped at the Service Oshawa vault as shown by the vault register maintained by the Head Cashier.
- ✓ 5/5 samples had signed deposit bag pick-up slips completed and signed by the Customer Service Coordinator to evidence pick up of deposit bags by GardaWorld

Appendix B: Summary of testing results (cont.)

Legends Centre – Cash Handling Testing

End-Of-Day Cash Count Testing

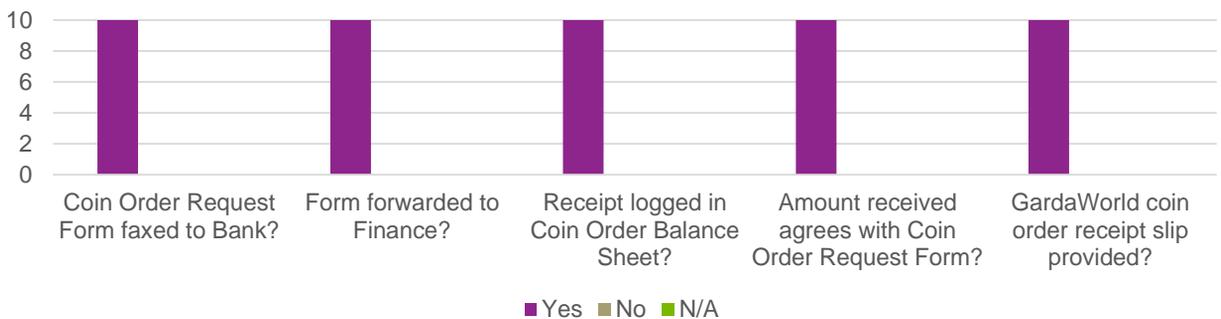


Findings

We selected a sample of five days between March to May 2015 and requested the end-of-day documentation prepared to reconcile, close and deposit the cash collected in the day. Across the five days selected, multiple tills operated in the day which required separate end-of-day processes, leading to a sample of 20. All registers were selected for testing and the following was noted:

- ✓ 20/20 samples had a Reconciliation Form completed with evidence of the end-of-day cash count by the Recreation Information Clerk
- 18/20 samples had evidence of peer review by sign off on the Reconciliation Form by an independent Recreation Information Clerk. Two samples did not have evidence of independent review. (**Recommendation 3**)
- ✓ 20/20 samples had a reported cash deposit amount which agreed with the balance from the CLASS-generated Drawer Balance Report
- As deposit bags are not collected daily, of the five days tested, one sample had a completed GardaWorld deposit slip prepared accurately, and signed by a City employee to evidence collection of the deposit bags. 4/5 days did not have evidence of the City’s employee signature to acknowledge collection by GardaWorld (**Recommendation 3**).

Coin Order Requests



Findings

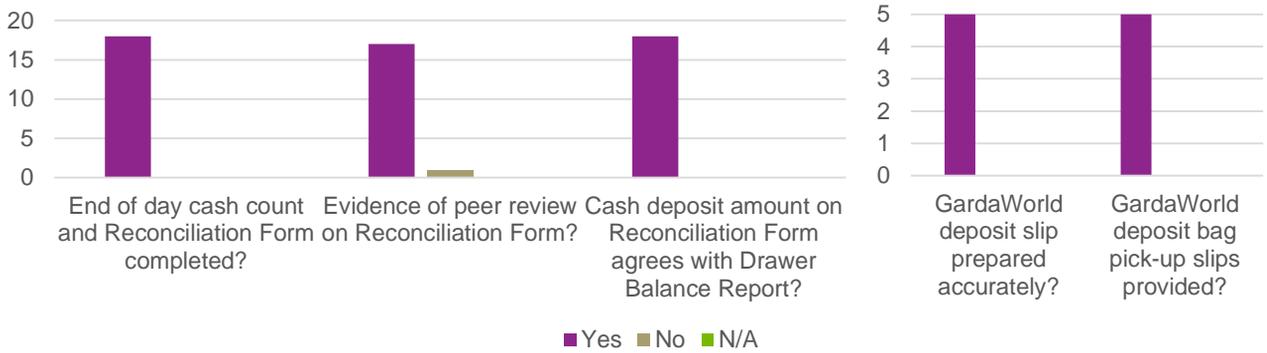
We selected a sample of 10 coin order requests made between March to May 2015 at Legends, as requests were advised to be made multiple times a week. We requested all documentation to evidence request, approval and receipt of funds and noted the following:

- ✓ 10/10 samples selected had evidence of a completed Coin Order Request form prepared by a Recreation Information Clerk, and communication of the request to the Junior Financial Analyst in Finance.
- ✓ 10/10 samples were logged in the Centre’s Coin Order Balance Sheet at receipt of funds with evidence of signature of receipt by a Recreation Information Clerk. Amounts agreed between the Coin Order Request in all instances
- ✓ 10/10 samples had GardaWorld Coin Order Receipt Slips to evidence delivery of funds to the Legends Centre with amounts agreeing to the Coin Order Request.

Appendix B: Summary of testing results (cont.)

Civic Centre – Cash Handling Testing

End-Of-Day Cash Count Testing

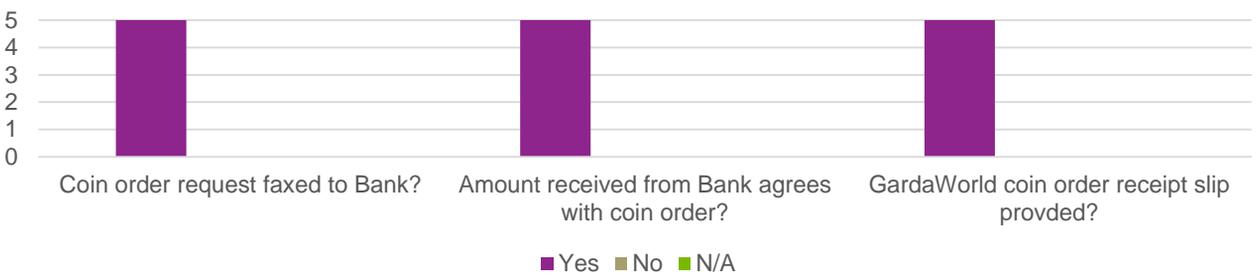


Findings

We selected a sample of five days between March to May 2015 and requested the end-of-day documentation prepared to reconcile, close and deposit the cash collected in the day. Across the five days selected, multiple tills operated in the day which required separate end-of-day processes, leading to a sample of 18. All registers were selected for testing and the following was noted:

- ✓ 18/18 samples had a Reconciliation Form completed with evidence of the end-of-day cash count by the Recreation Information Clerk
- 17/18 samples had evidence of peer review by sign off on the Reconciliation Form by an independent Recreation Information Clerk. One sample did not have evidence of independent review (**Recommendation 3**)
- ✓ 18/18 samples had a reported cash deposit amount which agreed with the balance from the CLASS-generated Drawer Balance Report
- ✓ 20/20 samples had completed GardaWorld deposit slips prepared accurately, and signed deposit bag pick-up slips completed and signed by a City employee to evidence acknowledgement of deposit bag collection

Coin Order Requests



Findings

We selected a sample of 5 coin order requests made between January to May 2015 at Legends, as requests were advised to be made roughly on a monthly basis. We requested all documentation to evidence request, approval and receipt of funds and noted the following:

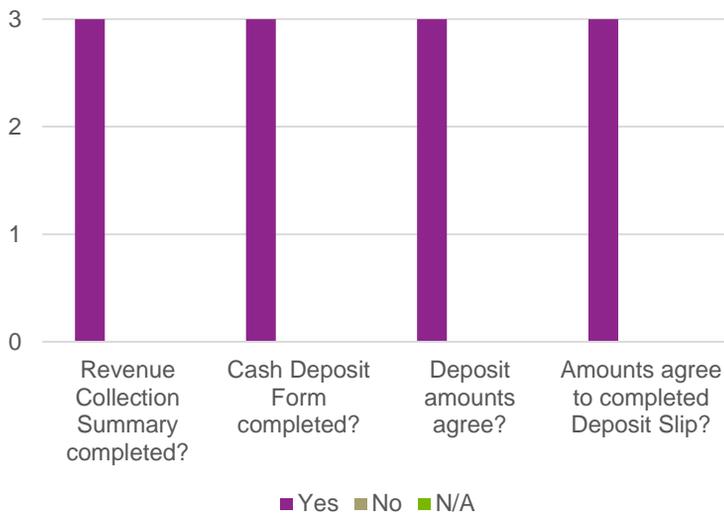
- ✓ 5/5 samples selected had evidence of a completed Coin Order Request form prepared by a Recreation Information Clerk.
- ✓ 5/5 amounts received agreed to the original request as evidenced by the confirmation reply provided by the Bank.
- ✓ 5/5 samples had GardaWorld Coin Order Receipt Slips to evidence delivery of funds to the Civic Centre with amounts agreeing to the Coin Order Request.
- Process at the Civic Centre does not require communication of Coin Order Requests to Finance. Furthermore, a Coin Order Balance Sheet is not maintained to document frequency of requests and amounts requested and received (**Recommendation 4**).

Appendix B: Summary of testing results (cont.)

Garage 3 – Cash Handling Testing

Two methods of cash collection operate at Garage 3 – parking booths managed by Parking Attendants and Pay-On-Foot machines for self-service. As these two methods have two different cash counting and collection methods at different frequencies, a sample of 10 were selected across the two methods (three end-of-day counts at the attendant booths, and seven end-of-week counts for machines). The following was noted:

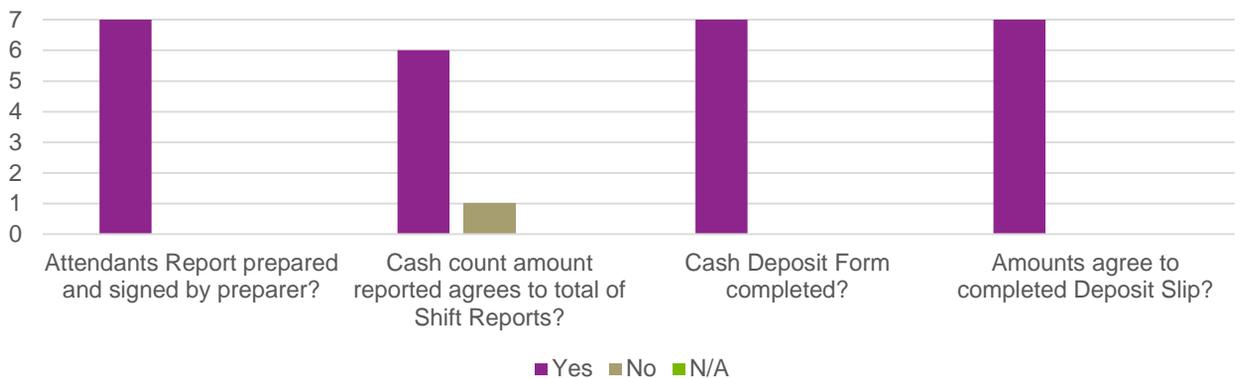
Pay-On-Foot Machines – End of Week Cash Count



Findings

- ✓ 3/3 samples had a Revenue Collection Summary completed and signed by the Parking and Maintenance Supervisor.
- ✓ 3/3 samples had a Cash Deposit Form completed by the Parking and Maintenance Supervisor.
- ✓ 3/3 amounts agreed between the two forms
- ✓ 3/3 had a completed bank deposit slip which agreed to the amount recorded in the Forms above. Bank deposit slips were stamped as evidence of deposit by the bank
- Overall, the approach to the end-of-week cash counting process at the Garage requires improvement to ensure that the method compares actual cash count against the expected cash balance (**Recommendation 2**).

Attendant Booths – End of Day Cash Count



Findings

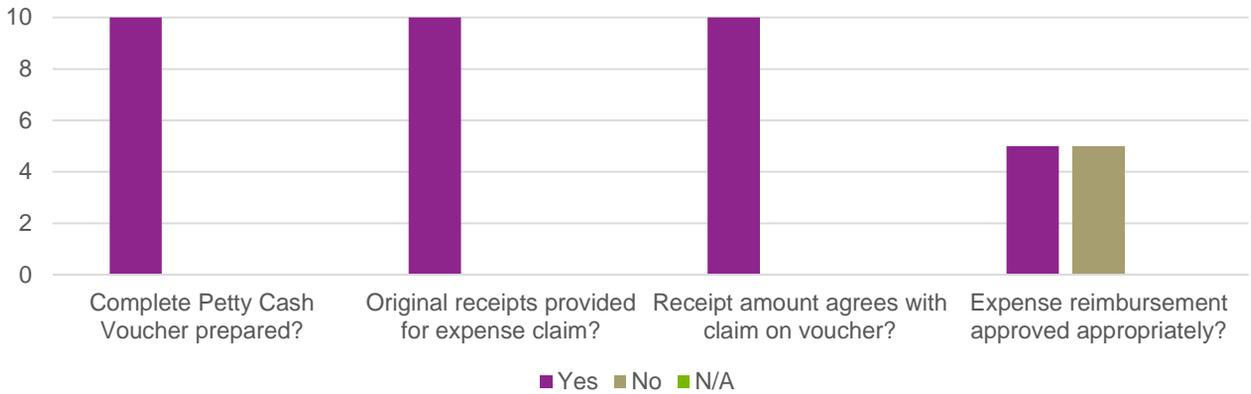
- ✓ 7/7 days selected had a completed Attendants' Report signed by the Parking Attendant
- ✓ 6/7 samples had a cash count evidenced which agreed to the Shift Report cash totals as printed directly from the POS system. One sample selected presented a cash count and deposit amount on the Attendants' Report which exceeded the total of the Shift Reports. Management confirmed that this was due to one Shift Report which had been misplaced.
- ✓ 7/7 samples had a Cash Deposit Form completed and signed by the Parking and Maintenance Supervisor. Amount reported to Finance agreed to the Attendant's Report
- ✓ 7/7 samples had a completed bank deposit slip which agreed to the amount recorded in the Forms above. Bank deposit slips were stamped as evidence of deposit by the bank.

Note: Tracking and monitoring of manual gate openings could not be tested as current reviews of the logs are not documented. Enhancement opportunities were also identified in this area (**Recommendation 7**).

Appendix B: Summary of testing results (cont.)

Fire Services – Petty Cash Testing (Fire Hall)

Petty Cash Transactions

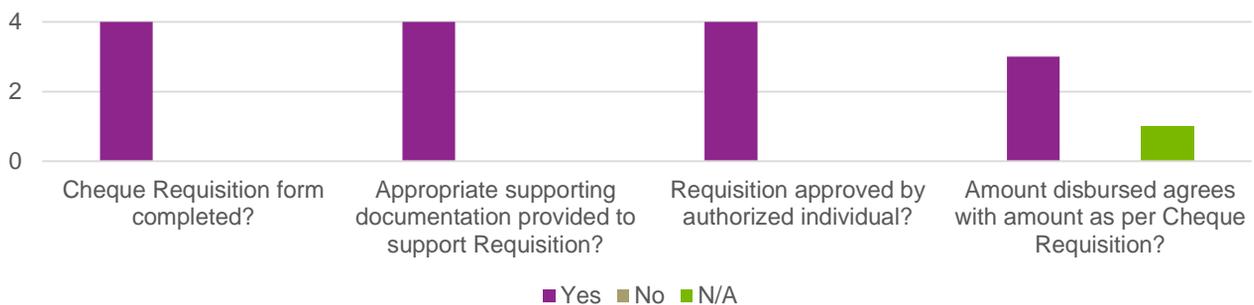


Findings

We selected a sample of 10 petty cash reimbursements paid out at the Fire Hall and requested the Petty Cash Voucher Form and supporting documentation. We noted the following:

- ✓ 10/10 samples had a completed Petty Cash Voucher Form to evidence the claim
- ✓ 10/10 samples had original documentation to support the expense and amount claimed. Amounts agreed to original documentation in all instances.
- Expense reimbursements were approved in all instances by the Fire Services Administrative Clerk or the Fire Services Administration Support staff. 5/10 expenses related to medical certificate reimbursements, where the Collective Agreement states that no approval is required. The remaining five expenses were not approved by an appropriate Manager / Supervisor (**Recommendation 6**)

Petty Cash Top-Up



Findings

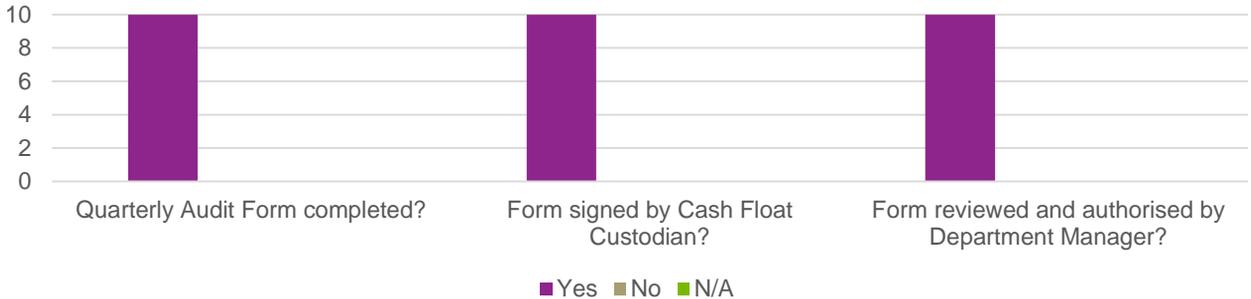
To test petty cash top up requests at the Fire Hall, we selected all requests made between the December 2014 to June 2015 period, which lead to a sample of four. We noted the following:

- ✓ 4/4 samples had a completed Cheque Requisition form completed by the Fire Services Administration Clerk
- ✓ 4/4 Requisition requests had appropriate documentation (i.e. employee Petty Cash Vouchers and receipts) attached to support the amount requested
- ✓ 4/4 Cheque Requisitions were approved appropriately by the Business Planning and Operations Manager
- ✓ 3/4 samples had evidence of funds disbursed from Finance, which agreed to the amount requested. One sample relate to a Cheque Requisition submitted in June which has not yet been completed.

Appendix B: Summary of testing results (cont.)

Cash Handling Testing – Quarterly Site Cash Audit Testing

Quarterly Site Audits



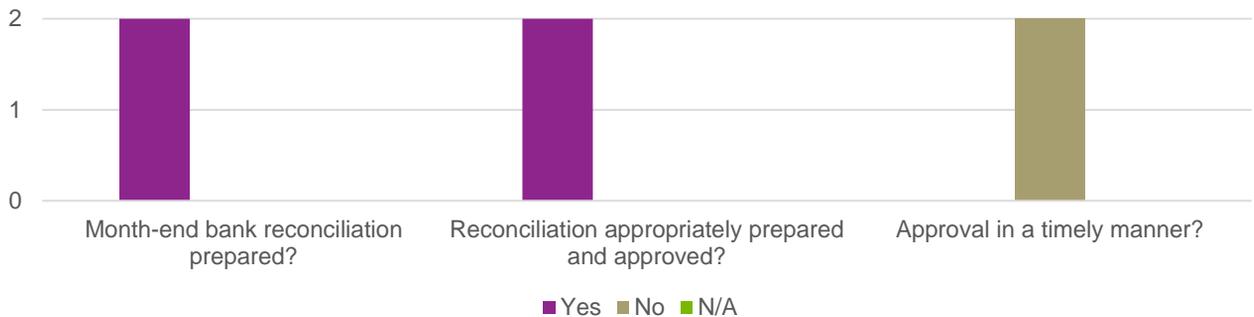
Findings

For the five sites tested as a part of fieldwork, we requested the quarterly 'Cash Float on Hand' Attestation prepared to confirm the amount of float at each location. We requested the attestations prepared for Q3 and Q4 of 2014 at each site, as we were made aware that the audit had not been conducted in 2015. We noted the following across the ten samples:

- ✓ 10/10 samples had a completed Cash Float on Hand Attestation for the quarter
- ✓ 10/10 samples were signed by the Cash Float Custodian to evidence the count of cash at the site
- ✓ 10/10 samples were reviewed and authorised by the Department Manager
- In walkthroughs of the Quarterly Audit process, we noted that this attestation is completed inconsistently across the sites, with some Department Managers independently performing the count, and other signing off as a formality (**Recommendation 3**).

Month-End Reconciliation Testing

Month-End Reconciliations



Findings

We selected a sample of two months for which we requested the month-end bank reconciliations prepared by the Financial Analyst to check for evidence of preparation with appropriate review and approval. We noted the following:

- ✓ 2/2 reconciliations had been prepared by the Financial Analyst
- ✓ 2/2 reconciliations were signed as reviewed by the Financial Services & Financial Systems Development Manager
- ✓ Variances and additional items in both reconciliations were adequately explained and correcting action taken
- ✓ Both of the samples selected for testing were approved within 15 business days after they were prepared.

Appendix C: Data Analytics

PeopleSoft Invoices – Data Analysis

We have performed data analytics over the listing of all invoices raised in PeopleSoft between the period of December 2014 to May 2015 and identified the following:

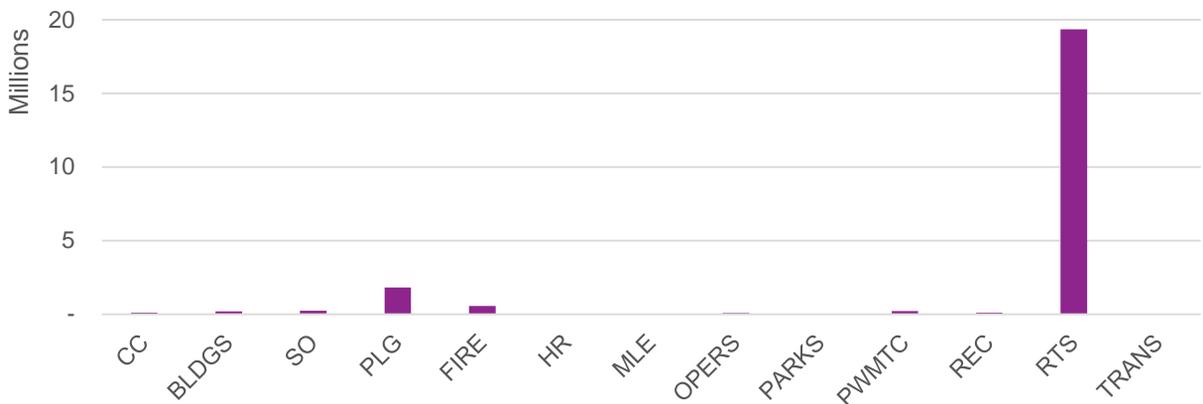
Observations

- There are 13 Business Units across the City who have access to PeopleSoft to raise invoices
- In the last six months, 471 invoices (34%) have been raised by the HR department which only accounts for \$20,265 of the approximately \$22.8M in invoices raised (<1%)
- Revenue and Taxation Services has raised 328 invoices in the last six months (24%), and accounts for 85% of the \$22.8M invoiced.
- The top three Business Units raising the most number of invoices are HR, Revenue and Taxation Services and Public Works & Maintenance
- While thirteen Business Units have access to raise invoices, this analysis shows that eight of those business units have raised approximately 30 invoices or less in the last six months, further showing that this access is not required for their daily operations (**Recommendation 8**).

Number of invoices raised by Business Unit



Total amount of invoices raised by Business Unit



Legend for Business Units

CC – Corporate Communications
 BLDGS – Buildings
 SO – Customer Service
 PLG – Planning & Development
 FIRE – Fire Hall

HR – Human Resources
 MLE – Municipal Law Enforcement
 OPERS – Operations
 PARKS – Parks
 PWMTC – Public Works and Maintenance

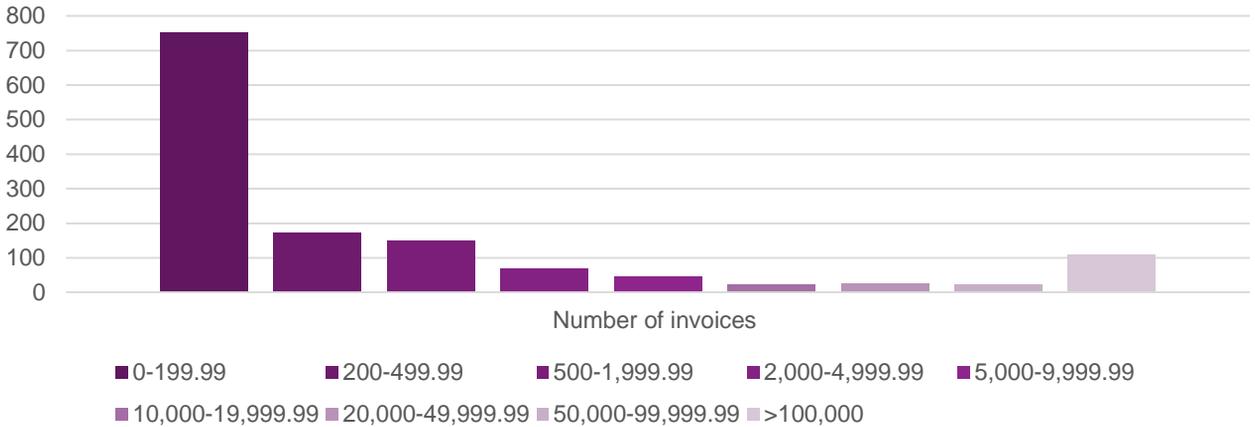
REC – Recreation
 RTS – Revenue and Taxation Services
 TRANS – Transportation

Appendix C: Data Analytics

PeopleSoft invoices – Dollar Value Analysis

Using the listing of PeopleSoft invoices raised between December 2014 to May 2015, we performed the following analysis over the number of invoices raised according to dollar value.

Dollar Value Analysis

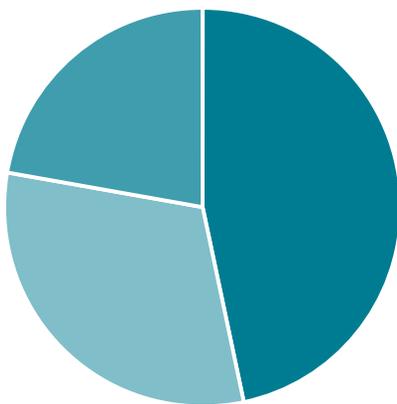


Observations

- In reviewing the data provided, we noted that 752 invoices under \$200 were raised in the six-month period. Many of these low-value invoices were raised to the same vendor, with some occurring in the same day. Management advised these were most likely related to pre-payments which were received in the same day for subsequent months owing

PeopleSoft User Access

User Access by Business Area



- Operations Centre Staff
- City Hall Employees
- Finance employees

Observations

Using a listing extracted showing all employees with access to raise invoices in PeopleSoft, we noted the following:

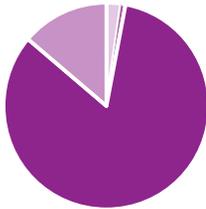
- 46 employees across the City of Oshawa have access to raise invoices in PeopleSoft
- Operational staff members, covering areas such as Recreation, MLE, Fire and Strategic & Business Services, account for 47% of users with access.
- City Hall employees (including City Clerk Services, Development Services, Engineering Services and Facilities Management) account for 31% of users
- Finance employees account for 22% of users with access

Appendix C: Data Analytics

Administrative Municipal Penalties Analysis

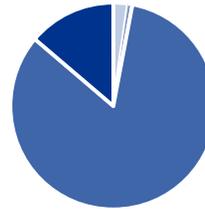
Administrative Municipal Penalties issued

Number of AMPs issued by Series



- Bylaw Parking Offences (1 series)
- Bylaw Infringements (3 series)
- Parking Offences - Manual (7 series)
- Parking Offences - Electronic (8 series)

Total value of AMPs issued by Series



- Bylaw Parking Offences (1 series)
- Bylaw Infringements (3 series)
- Parking Offences - Manual (7 series)
- Parking Offences - Electronic (8 series)

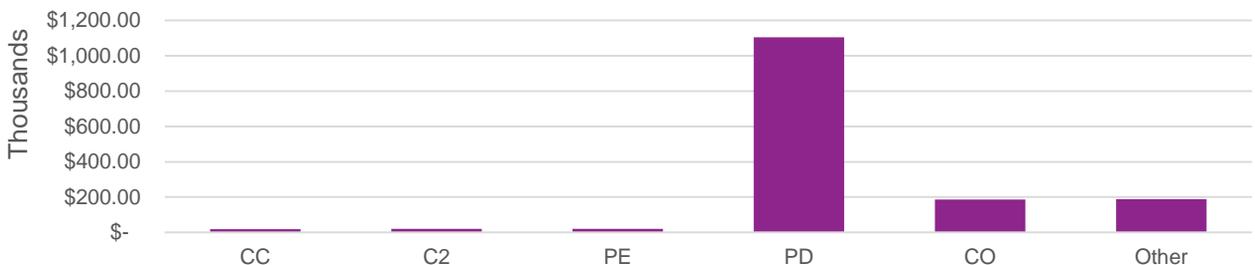
Observations

We obtained a listing of all AMPs issued between December 2014 to May 2015 and conducted an analysis using the ticket number sequencing to identify the following observations:

- 17,706 penalties were issued in the six-month period, with a sum total amount of \$623,410 in expected revenues to the City.
- Manual tickets issued for parking offences are given a ticket number in the 7 series and accounts for 14,733 (83%) of AMPs issued, with a total amount of \$452,695.
- Electronic parking tickets issued have a ticket number in the 8 series, of which there were 2,443 AMPs issued, with a total penalty amount of \$87,580.
- The 1 series parking offences include motor vehicle penalties in breach of the Provincial Offences Act. These types of penalties attributed to 406 of the total number of AMPs raised, accounting for \$52,135.
- Other bylaw infringements, such as noise complaints, licensing breaches and pet ownership are allotted a ticket number in the 3 series and account for 124 of penalties issues, and \$31,000 of the total amount.

Administrative Municipal Penalties outstanding

AMPs Owing by MES Status



Observations

Using a listing of outstanding AMPs as at 31 May 2015, we noted the following:

- At this date, 19,055 penalties were outstanding with a total balance of \$1,520,469, which includes the original penalty amount and further administration fees and late payment fees.
- 88% of outstanding penalties are sitting at a status within MES which is associated with the stage of escalation of the penalty to the external third-party for additional follow up. As penalties which may be partially collected at this stage are not matched with payments and closed off, this analysis is in line with current practices at the City.
- Penalties at CC (Court Conviction) status are exported to be sent to the Courts. Status is then updated to C2.
- Parking penalties at PE (Plate Eligible) status are exported and sent to the MTO. Status is then updated to PD (Plate Denial).
- Penalties at CO (Collection) status are exported and sent to the CBC for further follow up. Status is not updated.

Appendix D: Staff involvement and documents reviewed

We undertook interviews July 2015 with key stakeholders to inform this work, including:

Name	Title
Jay Martin	Manager, Financial Services & Systems Development
Timothy Dwyer	Manager, Taxation and Revenue Services
Lorraine Fuller	Coordinator, Taxation and Revenue Services
Anne Askin	Tax Accounting Assistant
Jane Bell	Accounts Receivable Clerk
Candace Smith	Head Cashier
Rhonda Grundy	Customer Services Coordinator
Derek Keenan	Recreational Programs Supervisor
Lauren Cadenhead	Fire Services Administrative Clerk
Lisa Brown	Business Planning and Operations Manager
Gary Nobile	Financial Analyst
Kevin Feagan	Manager, Municipal Law Enforcement
Sarah Platt	Administrative Assistant, Municipal Law Enforcement
Nancy Kavanaugh	Business Analyst
Bruce Dumetz	Supervisor, Parking Maintenance
Bill Grylls	Manager, Traffic, Street lighting and Municipal Parking Works and Transportation

We received the following documentation over the course of fieldwork:

- Applicable Bylaws
- Payment Handling Policy
- Listing of all petty cash floats
- Finance Organisation Chart
- Listing of all PeopleSoft invoices raised between December 2014 – May 2015
- Listing of all users with access to raise invoices in PeopleSoft
- Current listing of outstanding Property Tax Invoices
- Listing of Property Tax write offs for 2014 and 2015 (year to date)
- Bank Reconciliations for March and April 2015
- Listing of AMPs issued between December 2014 – May 2015
- Listing of outstanding AMPs as at 31 May 2015