



CITY OF VANCOUVER INTERNAL AUDIT REPORT Bylaw Fines

EXECUTIVE SUMMARY

February 24, 2026

The Bylaw Fines audit assessed the processes around the payment, dispute, cancellation and collection of bylaw fines to determine whether adequate internal controls are in place and City policies and procedures are followed. The audit also considered the efficiency and effectiveness of the related business processes and system access controls.

We found that the internal controls around the payment, dispute, cancellation and collection of bylaw fines were generally adequate. We also identified opportunities to explore additional strategies for improving the collectability of fines, strengthen access controls to both the parking enforcement platform and the revenue system, and leverage existing enforcement platforms to enhance the efficiency of the fine issuance process.

The more significant findings and recommendations are:

F.1 Investigate additional measures to improve the collectability of overdue fines

In reviewing outstanding bylaw fine balances, we found balances totaling between \$10,000 and \$142,000 consisting of multiple tickets, suggesting multiple offences by the same business or individual.

Without robust collection processes, there is a risk that fines will not be collected promptly – or not at all – reducing the effectiveness of this enforcement measure. To mitigate this risk, it would be beneficial for the City to explore additional strategies for pursuing overdue fines and improving their collectability.

F.2 Strengthen access controls to the parking enforcement platform

There is an opportunity to strengthen access controls for the parking enforcement platform, including disabling IT administrative accounts not currently in use, formalizing an access control policy, and periodically reviewing user access. Implementing these measures will further protect against the risk of a data breach. Management has agreed to consider these improvements for its new parking enforcement platform.

The full set of findings and recommendations are detailed in the following report. Management in Engineering Services, Revenue Services, Accounting Operations and Technology Services have agreed to address the findings noted and have committed to implement the recommended action items.

A handwritten signature in black ink, appearing to read "C. Fuellbrandt".

Carmen Fuellbrandt, CPA, CMA, CIA
Chief of Internal Audit

A. BACKGROUND

The City of Vancouver (the City) enforces its bylaws using various tools, including the issuance of fines for bylaw violations. Bylaw fines are monetary penalties for the contravention of a bylaw levied through either a Municipal Ticket Information (MTI), Bylaw Notice (BN) or Bylaw Violation Notice (BVN). The ticket / notice types vary as to their legal enforceability and maximum fine amounts.

Bylaw enforcement at the City is decentralized, with various departments overseeing the enforcement of bylaws that fall within the scope and authority of their operations. The table below provides examples of City departments that perform bylaw enforcement activities.

Table 1: City Departments' Bylaw Enforcement Responsibilities

Department	Examples of Bylaws Enforced
Engineering Services	Encroachment bylaw, parking bylaw, parking meter bylaw, street and traffic bylaw, street tree bylaw, street utilities bylaw and street vending bylaw
Development, Buildings and Licensing	Animal control bylaw, building bylaw, electrical bylaw, gas fitting bylaw, graffiti bylaw, license bylaw, standards of maintenance bylaw and untidy premises bylaw
Vancouver Board of Parks and Recreation	Parks control bylaw
Vancouver Fire Rescue Services	Fire bylaw

The City's Revenue Services division processes all bylaw fine payments and refunds and is responsible for the collection of overdue fines issued through an MTI or BN. Also, the Accounts Receivable division follows up on overdue court-imposed fines, including fines issued through a BVN.

Bylaw Fines revenue collected has remained relatively flat over the past three years. In 2024, the City reported \$23.4M in bylaw fines revenue, compared to \$23.5M and \$23.1M in 2023 and 2022, respectively. Approximately 90% of bylaw fine revenues relate to parking enforcement.

B. SCOPE

The Bylaw Fines audit assessed the processes around the payment, dispute, cancellation and collection of bylaw fines to determine whether adequate internal controls are in place and City policies and procedures are followed. The audit also considered the efficiency and effectiveness of the related business processes and system access controls.

The scope of this audit included bylaw fines under the following three streams:

Bylaw Fine Category	Description	Enforcing Department/ Division
Parking tickets	Bylaw notices issued when there is a violation of parking related bylaws from the City's Parking Meter By-law and Street and Traffic By-law.	Engineering Services – Parking Operations and Enforcement
Non-declaration tickets	Bylaw notices issued when an empty homes tax declaration is not submitted by the deadline.	Financial Services – Vacancy Tax
Snow clearing bylaw violation notices	Notices issued when snow and ice are not cleared from sidewalks.	Engineering Services – Kent Construction Supplies and Services

The audit was not designed to exclusively detect fraud but serves as an evaluation of internal controls used to detect or mitigate fraud. Accordingly, there should be no such reliance.

C. CONCLUSION

We found that the internal controls around the payment, dispute, cancellation and collection of bylaw fines were generally adequate. We also identified opportunities to explore additional strategies for improving the collectability of fines, strengthen access controls to both the parking enforcement platform and the revenue system, and leverage existing enforcement platforms to enhance the efficiency of the fine issuance process.

Findings and recommendations have been discussed with management and their responses have been incorporated in this report.

D. RISK ANALYSIS

The potential significant risks considered if controls were not in place are:

Risk Category	Potential Impact
Financial	Incomplete recording and/or ineffective collection of fines may result in loss of revenues.
Operational	Relying on manual processes for fine issuance increases the likelihood of error and process inefficiencies.
Information Security	Inadequate controls over systems containing personal information increases the risk of a data breach.

E. POSITIVE OBSERVATIONS

E.1 Processes for recording ticket information and applying discounts, penalties and fees are automated

The following system capabilities reduce the need for manual processing, reducing the potential for error and freeing up staff time to focus on other operational tasks.

- A system interface connects the parking enforcement platform and the City’s revenue system to enable data sharing;
- Batch processing is used to automate the generation of non-declaration tickets; and
- Rule-based system programming is used to automatically apply early payment discounts, late payment penalties and adjudication fees.

E.2 Disputes and cancellations complied with established procedures

We found that the dispute process for parking and non-declaration tickets followed established processes. Additionally, of the transactions reviewed, we found that the cancellation of parking tickets, non-declaration tickets and snow clearing bylaw violation notices were valid and adequately supported.

F. AUDIT ISSUES, RECOMMENDATIONS AND MANAGEMENT RESPONSES

F.1 Investigate additional measures to improve the collectability of overdue fines

Recipients of bylaw fines have 60 days to pay a BN or MTI ticket type. Any fines not paid within this time are sent to a collection agency for follow-up. Between February and June 2025, the City referred \$4.7M in bylaw fines to collections.

We analyzed the collection agency’s data on fines as of the end of June 2025 to identify any businesses and individuals with significant outstanding fine balances. We found 80 businesses and 49 individuals with balances totaling between \$10,000 and \$142,000. These balances consisted of multiple tickets, suggesting multiple offences by the same business or individual. For illustration, the table below details the five largest fine balances.

#	Recipient Type	Bylaw Category	Overdue Fines (\$)	# of Tickets
1	Business	Parking	\$142K	703
2	Business	Licensing	\$98K	87
3	Business	Parking	\$67K	572
4	Business	Licensing	\$62K	62
5	Business	Parking	\$58K	490

Without robust collection processes, there is a heightened risk that fines will not be collected promptly – or not at all – reducing the effectiveness of this enforcement measure. To mitigate this risk, it would be beneficial for the City to explore additional strategies for pursuing overdue fines and improving their collectability.

Recommendation:

F.1.1 The Director, Revenue Services and Tax Policy, in consultation with Legal Services, should investigate additional measures that can be taken to pursue overdue fines. This should be completed by May 31, 2026.

Management Response:

Agree with the findings

Agree with the recommendations

Disagree with the findings

Disagree with the recommendations

Management Action Plan:

Management has no additional comments.

F.2 Strengthen access controls to the parking enforcement platform

The Parking Operations and Enforcement division uses a parking enforcement platform (PEP) to issue parking tickets, take photos and run reports. Access to this system is managed through user groups by designated IT administrators. There are a total of 13 user groups, including those set out in the table below:

User Group	Description
IT Administrator	Can add, edit and delete access groups and roles, bylaws, and drop-down entries in the officer application.
Parking Enforcement Officers	Can issue tickets, gather evidence and void their own ticket prior to synching their handheld devices.
Supervisors	Can review tickets, officer performance, license plate history and statistics.

Access privileges for the users reviewed was appropriate except for one user whose account had not been disabled after their move into a new role outside of the Parking Operations and Enforcement division.

We also identified opportunities to strengthen access controls as follows:

- Disable IT administrative accounts that are not currently in use;
- Formalize and document an access control policy for the PEP to ensure roles and responsibilities are defined and access management practices are consistently applied;
- Periodically review the PEP user list to confirm that user access remains appropriate;
- Require users outside of Parking Operations and Enforcement requesting access to the PEP to indicate how they will be using the PEP, why access is needed, and the period they require access for to ensure they are granted only the access needed and for only the time specified;
- If possible, set up automated email notifications to alert management anytime a new user is added so that questions can be raised if this access is not appropriate; and
- Disable non-Parking Operations and Enforcement user accounts at the access end date set.

Considering personal information, including names and addresses, are viewable in the enforcement platform, implementing these access control measures will further mitigate the risk of a data breach. Parking Operations and Enforcement management indicated that there are plans to implement a new PEP system by the end of the year, and the above improvements will be considerations for the new system.

Recommendations:

F.2.1 The Associate Director of the Office of the General Manager - Engineering should ensure access is disabled for the user who no longer works in the division as well as any unused or unnecessary accounts. This should be completed by May 31, 2026.

Management Response:

- | | |
|---|--|
| <input checked="" type="checkbox"/> Agree with the findings | <input checked="" type="checkbox"/> Agree with the recommendations |
| <input type="checkbox"/> Disagree with the findings | <input type="checkbox"/> Disagree with the recommendations |

Management Action Plan:

Management has no additional comments.

F.2.2 The Associate Director of the Office of the General Manager - Engineering should action the noted opportunities to strengthen access controls for the new parking enforcement platform. This should be completed by December 31, 2026.

Management Response:

- | | |
|---|--|
| <input checked="" type="checkbox"/> Agree with the findings | <input checked="" type="checkbox"/> Agree with the recommendations |
| <input type="checkbox"/> Disagree with the findings | <input type="checkbox"/> Disagree with the recommendations |

Management Action Plan:

Management has no additional comments.

F.3 Strengthen approval process for access to the City's revenue system

Access to the City's revenue system is managed through roles. For example, roles are established for staff and management in Utility Billing, Vacancy Tax and Revenue Services divisions. There is also a role for non-Revenue Services staff that provides read-only access to ticket information.

Requests to add, modify or remove system access are submitted through electronic forms and processed by designated system support staff once the required approvals are obtained. New access or changes to existing access must be approved by a Revenue Services Manager, while removal of access does not require approval.

We reviewed 20 requests to add or modify system access and were unable to confirm that approval was obtained for one new access request and 14 access modification requests.

Approval of the newly provided access could not be confirmed as the associated request form was not located, making it unclear whether established policies and procedures were followed. If approvals are not obtained, the risk of inappropriate data access is heightened. The risk in this instance has been addressed as this particular account has since been disabled.

System support staff advised that all 14 access modifications were validated with a Revenue Services Manager or Supervisor; however, these approvals were not documented due to limitations in the current form. The same form is used for both access changes and removals, and unlike the form for new access requests, it does not require approval.

Recommendation:

F.3.1 The Director of Enterprise Applications & Integration should ensure required approvals for changes in access to the City’s revenue system are obtained and documented. This should be completed by September 30, 2026.

Management Response:

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|---|--|
| <input checked="" type="checkbox"/> Agree with the findings | <input checked="" type="checkbox"/> Agree with the recommendations |
| <input type="checkbox"/> Disagree with the findings | <input type="checkbox"/> Disagree with the recommendations |

Management Action Plan:

Management has no additional comments.

F.4 Perform a review of fine amounts for parking related bylaws

At the time of our review, the parking related bylaw fine amounts outlined in the City’s Parking Meter and Street and Traffic By-laws had not been reviewed or updated since 2020. As a result, these fine amounts may no longer be aligned with established objectives or comparable to fines set by other major Canadian municipalities. It would therefore be beneficial to conduct a review of parking fine amounts.

Engineering Services management since advised that a jurisdictional review of parking fines was completed and increase in fine amounts for select parking related bylaws within the City’s Street and Traffic By-law have been proposed to Council in the 2026 Engineering Fees report.

Recommendation:

F.4.1 The Deputy General Manager of Engineering should review fine amounts for parking related bylaws on a more frequent basis going forward (e.g. every two to three years). This should be completed by December 31, 2028.

Management Response:

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| <input checked="" type="checkbox"/> Agree with the findings | <input checked="" type="checkbox"/> Agree with the recommendations |
| <input type="checkbox"/> Disagree with the findings | <input type="checkbox"/> Disagree with the recommendations |

Management Action Plan:

Management has no additional comments.

F.5 Ensure adequate segregation of duties in authorizing cancellation of non-declaration tickets

Disputed non-declaration tickets are first reviewed through a screening process completed by the Vacancy Tax department and can be cancelled at this stage. Any disputed tickets not cancelled during screening are escalated to an independent adjudicator for review.

We found that a single manager is solely responsible for both reviewing disputed tickets and determining which tickets to cancel in the screening process.

For the 2024 tax year, a total of 8,378 non-declaration tickets (or \$2,094,500 in fines) were issued, of which 423 (or \$150,750 in fines) were disputed. Of the disputed tickets, none were cancelled by the manager during the screening process for this time period. However, having an additional person review disputed tickets may result in more balanced decisions, improve knowledge sharing, increase transparency, enhance accountability and reduce the risk for tickets to be inappropriately cancelled.

Recommendation:

F.5.1 The Director, Revenue Services and Tax Policy should evaluate the responsibility for screening and ensure there is sufficient oversight and segregation of duties in the cancellation of non-declaration tickets. This should be completed by May 31, 2026.

Management Response:

Agree with the findings

Agree with the recommendations

Disagree with the findings

Disagree with the recommendations

Management Action Plan:

Management has no additional comments.

F.6 Investigate feasibility of issuing refunds by credit card

Refunds of bylaw fines are generally processed when an individual has paid the wrong ticket or paid the same ticket more than once. In 2024, 250 bylaw fine refunds were requested and processed.

Currently all refunds are processed through cheque. Refunds can be made through credit card but pose a higher risk of duplicate payment due to a lack of sufficient information received from the payment processing company to enable recording of refunds to the relevant ticket.

Issuing refunds by cheque, however, is time-consuming and costly due to the additional information and review required, as well as the associated printing and mailing costs.

Revenue Services is currently exploring the possibility of issuing refunds through credit cards.

Recommendations:

F.6.1 The Director, Revenue Services and Tax Policy should determine the feasibility of issuing refunds through credit card and develop a changeover plan. This should be completed by May 31, 2026.

Management Response:

Agree with the findings

Agree with the recommendations

Disagree with the findings

Disagree with the recommendations

Management Action Plan:

Management has no additional comments.

F.6.2 The Director, Revenue Services and Tax Policy should work with the Director of Enterprise Applications & Integration to implement a process to issue refunds through credit card. This should be completed by December 31, 2027.

Management Response:

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| <input checked="" type="checkbox"/> Agree with the findings | <input checked="" type="checkbox"/> Agree with the recommendations |
| <input type="checkbox"/> Disagree with the findings | <input type="checkbox"/> Disagree with the recommendations |

Management Action Plan:

Management has no additional comments.

F.7 Enhance efficiency of processes for issuing snow clearing BVNs

The enforcement of bylaws related to snow clearing is a seasonal activity typically occurring between October to March. In the 2024/2025 season, a total of 701 snow clearing BVNs, representing \$372,250 in bylaw fines, were issued. This is an increase over the past two seasons in which a total of 399 BVNs and 65 BVNs were issued, respectively.

Our analysis revealed that snow clearing BVNs issued in the 2024/2025 season were mailed out an average of 17 days after the offence date. Noted delays can be attributed to a combination of:

- Highly manual processes for issuing snow clearing BVNs;
- A significant increase in the number of BVNs issued; and
- Responsible staff taking on these tasks in addition to their core duties.

There may be an opportunity to issue snow clearing BVNs more efficiently by leveraging the Parking Operations and Enforcement division’s enforcement platform.

Recommendation:

F.7.1 The Deputy General Manager of Engineering should investigate ways to both automate and efficiently allocate responsibility for the issuance of snow clearing BVNs. This should be completed by September 30, 2026.

Management Response:

- | | |
|---|--|
| <input checked="" type="checkbox"/> Agree with the findings | <input checked="" type="checkbox"/> Agree with the recommendations |
| <input type="checkbox"/> Disagree with the findings | <input type="checkbox"/> Disagree with the recommendations |

Management Action Plan:

Work to transfer the enforcement of snow tickets from Kent Yard to Parking Enforcement began Q4 2025 with an aim to get as much accomplished before snow enforcement was needed. Moving to the same platform as Water restriction bylaw tickets allows a more standard enforcement, tracking and payment process. It will also decrease the staff time needed for ticket challenges.

F.8 Review snow clearing bylaw fine amounts and consider alternative ticket/notice types

The objective of bylaw enforcement, through issuance of bylaw fines or by other means, is compliance. To ensure efforts related to snow clearing bylaw enforcement are optimized to meet this objective, it may be worth revisiting the following aspects of the enforcement program:

Fine amounts

Snow clearing BVNs carry a fine of either \$250 or \$750 if snow and ice remain on the sidewalk for more than 24 hours.

Our analysis showed that in the 2024/2025 season, there was a higher percentage of snow clearing BVNs issued at the higher fine amount that were disputed (53% vs. 30%). An increase in the number of disputed notices requires increased administrative time and effort to prepare files for charge assessment, which can increase costs and put additional strain on existing resources.

Ticket / notice type used

Bylaw fines can be issued through a BN, MTI, or BVN. Snow-clearing bylaw fines are issued using a BVN, which is a ticket type that is more restrictive in its legal enforceability and dispute process. Consequently, there may be advantages to transitioning to a different ticket or notice type to achieve potential cost savings and improve fine collectability.

Engineering Services should collaborate with Legal Services and Revenue Services to evaluate the various ticket and notice types and determine which option best supports its enforcement objectives.

Recommendations:

F.8.1 The Deputy General Manager of Engineering should review snow clearing BVN fine amounts to ensure they are optimized to meet established objectives. This should be completed by May 31, 2026.

Management Response:

Agree with the findings

Agree with the recommendations

Disagree with the findings

Disagree with the recommendations

Management Action Plan:

Eng reduced the top end fine amount for the 2026 season to be \$499 in an effort to decrease challenges and increase payment % (to reduce the time spent by staff to complete the process). Another analysis will be done at the end of the winter season in time for the May 2026 report back.

F.8.2 The Deputy General Manager of Engineering should consider alternative ticket/notice types for issuing snow clearing bylaw fines. This should be completed by May 31, 2026.

Management Response:

Agree with the findings

Agree with the recommendations

Disagree with the findings

Disagree with the recommendations

Management Action Plan:

Management has no additional comments.

F.9 Investigate ways to identify, track and report on court-imposed fines

Enforcement departments benefit from having information as to the bylaw tickets and notices paid, disputed and cancelled to assess the effectiveness of their enforcement efforts. However, when a snow clearing bylaw fine is disputed and upheld by a City Prosecutor decision, the amount owing is categorized as a court-imposed fine. As a result, Engineering Services does not have any insight into the number of disputed fines upheld and paid as court-imposed fines are not easily traceable to the originating bylaw fine.

The City's Accounts Receivable department manages the collection of court-imposed fines and has started tracking bylaw numbers and sections to potentially tie a court-imposed fine to a bylaw fine. It would be beneficial for Accounts Receivable to work with both Engineering Services and Bylaw Prosecution to confirm which information would be valuable for tracking.

The Accounts Receivable department should also assess whether it would be worthwhile pursuing judgments on overdue court-imposed fines to extend the time the City has to collect these amounts and potentially increase the likelihood of collection. As a first step, the department should consult with Legal Services on the authority needed and steps involved.

Recommendations:

F.9.1 The Manager of Accounts Receivable and Credit Billing should investigate ways to identify, track and report on bylaw fines that are recorded as court-imposed fines. This should be completed by May 31, 2026.

Management Response:

- | | |
|---|--|
| <input checked="" type="checkbox"/> Agree with the findings | <input checked="" type="checkbox"/> Agree with the recommendations |
| <input type="checkbox"/> Disagree with the findings | <input type="checkbox"/> Disagree with the recommendations |

Management Action Plan:

Management has no additional comments.

F.9.2 The Manager of Accounts Receivable and Credit Billing should consult Legal Services on how it can pursue judgments on overdue court-imposed fines and assess whether the Accounts Receivable department should pursue such judgments. This should be completed by May 31, 2026.

Management Response:

- | | |
|---|--|
| <input checked="" type="checkbox"/> Agree with the findings | <input checked="" type="checkbox"/> Agree with the recommendations |
| <input type="checkbox"/> Disagree with the findings | <input type="checkbox"/> Disagree with the recommendations |

Management Action Plan:

Management has no additional comments.

F.10 Restrict access to snow clearing BVN documents

Documents related to snow clearing BVNs, including inspection sheets, the BVN notice, photos and letters are first saved to a local drive and then transferred to the City's records management system at the end of the season. These documents contain personal information, including names and addresses involved with bylaw enforcement activities and fines.

All staff from Engineering Services' Kent Yard office have access to the folder on the local drive where these documents are saved. Consequently, there is potential for snow clearing BVN support files to be inappropriately accessed, modified, and/or deleted.

Recommendation:

F.10.1 The Associate Director of the Office of the General Manager - Engineering should restrict access to snow clearing BVN documents to only staff requiring access. This should be completed by May 31, 2026.

Management Response:

Agree with the findings

Agree with the recommendations

Disagree with the findings

Disagree with the recommendations

Management Action Plan:

Management has no additional comments.

G. OTHER OBSERVATIONS

G.1 Direct individuals to dispute process information for non-declaration tickets

Vacancy Tax non-declaration tickets indicate the date by which a dispute must be filed, provides a link to the form to request a dispute and specifies that if disputes are unsuccessful, the non-discounted penalty plus a \$25 adjudication fee is payable. It would be beneficial to also direct individuals to details on how the adjudication process works, which is available on the City's website. Doing so may reduce the number of questions raised through 3-1-1 and help individuals make a more informed decision around paying or disputing their ticket.

DISTRIBUTION

To:

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Lon LaClaire – General Manager, Engineering Services
Taryn Scollard – Deputy General Manager, Engineering Services
Jimmy Zammar – Deputy General Manager, Engineering Services
Tadhg Healy – Chief Technology Officer
Rob Evans – Director, Revenue Services and Tax Policy
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Miki Shoji – Director, Enterprise Applications & Integration
Blair Choo – Manager, Customer Service and Collections
John Mantas – Manager, Accounts Receivable and Credit Billing

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