

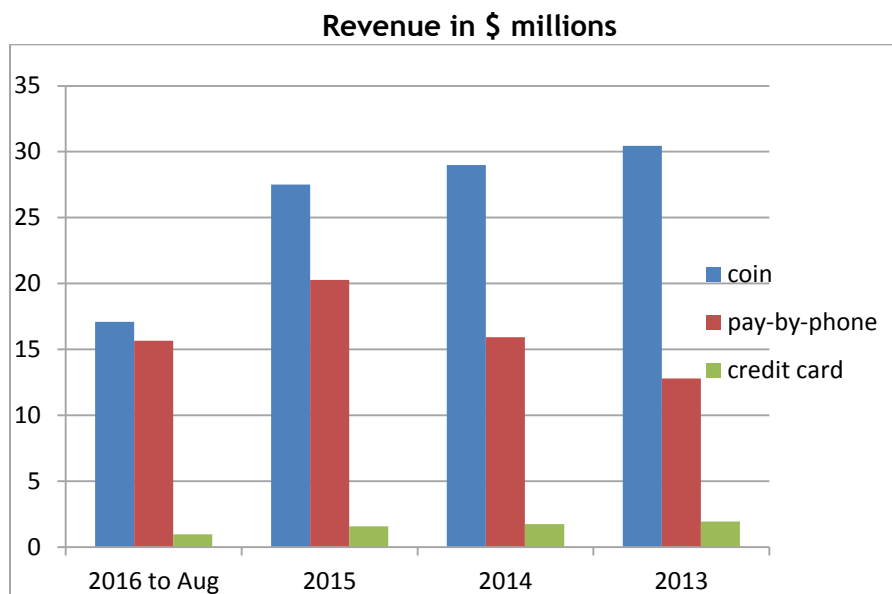
September 30, 2016

## Surprise Audit of Cash Handling at Parking Operations & Enforcement Branch

### Background

As part of the 2016 audit plan, Internal Audit conducted a surprise cash handling audit at the City's Parking Coin Collection and Maintenance Operations facility in September, 2016. The surprise audit was designed to assess the integrity of the internal control system in place and provide an uncensored view of the operations and spotlight potential problems. The audit included a review of the processes, an analysis of risk exposure (monetary and physical security), examination of selected sample transactions, and cash counts. The objectives were to determine the extent of compliance to applicable policies, procedures and the effectiveness of internal controls.

\$49.3M revenues were collected from Parking Operations meters in 2015. Coin collections accounted for approximately \$27.5M (56%). The rest (44%) were made up of pay-by-phone and credit card payments.



This represents an average of \$135,000 meter revenues per day in 2015 of which \$75,000 are coins collected. As shown in the chart coin payments have declined over the past several years and pay-by-phone revenues increased steadily and are expected continue to grow.

### Scope

As part of the audit, staff:

- Reviewed the collection and deposit procedures and observed on site the coin collectors activities to determine if they conform to the procedures in the manual;
- Walked through and examined the secured area at the Parking Operations office at National Yard. Reviewed security measures such as meter key assignments, storage of credit and debit cards used for testing purposes, CCTV placement, and location of safe and spare coins used to test meters under repair;
- Inspected and reviewed procedures and layouts at the meter maintenance repair shop and coin collection trucks;
- Examined the collection canisters, meter maintenance technician's collection bins and staff demonstrated how they work;
- Discussed with Parking Operations and Maintenance superintendents on current operating procedures and obtained working papers of coin collections analysis, reports and statistics for review; and
- Analysed a sample of weekly pay-by-phone and pay station collections and traced to management's review process and subsequent bank deposits.

### Conclusion

The review showed that the controls in place to monitor coin collections and maintenance work are adequate to minimize any cash leakage. Reconciliation of pay-by-phone and pay station revenues are done and reviewed by management and discrepancies followed up. Parking Operations management has committed to implement improvements to internal controls, including:

- Restrict access to the Parking Operations & Enforcement area
- Ensure the safe combination is changed in accordance with the cash handling manual