

Request for Decision

Audit Followup Status Report - Cash Handling - Transit and Parking

Presented To: Audit Committee

Presented: Wednesday, Oct 05, 2011

Report Date Thursday, Sep 29, 2011

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Recommendation

(See attached report)

Signed By

Auditor General

Brian Bigger

Auditor General

Digitally Signed Sep 29, 11

2011

AUDITOR GENERAL'S STATUS REPORT ON OUTSTANDING AUDIT RECOMMENDATIONS FOR THE AUDIT OF CASH HANDLING – TRANSIT AND PARKING



Office of the Auditor General
Bureau du vérificateur général

July 15, 2011 #2011STATUS02

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September 8, 2011

To: Audit Committee

Subject: Auditor General's Status Report on Outstanding Audit Recommendations for The Audit of Cash Handling – Transit and Parking - #2011STATUS02

The Auditor General's Office conducted a follow-up review on the implementation status of management's actions in response to recommendations contained in the audit report for the Audit of Cash Handling – Transit and Parking (#2010GRTH04) dated June 25, 2010. This report contains the follow-up results on the status of the recommendations included in the report.

Management has made significant progress on implementing outstanding audit recommendations. Further, it appears that management continues to make progress on recommendations not fully implemented. Audit recommendations not fully implemented, as well as management's comments and action plans will be carried forward to our next follow-up review. Continued efforts to implement outstanding recommendations will provide additional benefits to the City through opportunities to improve the effectiveness of controls for transit and parking and the quality of stewardship related to the cash handling activities.

We conducted this follow-up audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

We wish to express our appreciation for the cooperation and assistance provided to the audit team by all staff involved in this process.

Sincerely,



Brian Bigger
Auditor General

Audit Staff: Carolyn Jodouin, Senior Auditor

CC: Danielle Braney, Director of Asset Services
Greg Clausen, General Manager Infrastructure Services,
Lorella Hayes, Chief Financial Officer / City Treasurer
Bill Lautenbach, General Manager, Growth & Development
Doug Nadorozny, CAO
Roger Sauve, Director of Transit Services

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BACKGROUND

The Auditor General's Office conducts follow-up audits to ensure that management has taken action to implement the action plans they provided, in response to recommendations contained in audit reports. We have reviewed the status of the outstanding audit recommendations previously made by the Auditor General to management.

We conducted this follow-up audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

PROCESS

The follow-up process requires that management provide the Auditor General with a response on the status of each recommendation contained in previously issued audit reports. For those recommendations noted as implemented by management, audit staff conducted fieldwork to verify the accuracy of management assertions. Where management indicated that a recommendation was not yet implemented, audit work was not performed.

Table 1 represents the results of our follow-up on audit recommendations for the Audit of Cash Handling – Transit and Parking (#2010GRTH04).

Table 1: Follow-up Results

| Report Title and Date | Total No. of Recommendations Reviewed | Results of Current Review | | |
|--|---------------------------------------|---------------------------|-----------------------|--|
| | | Fully Implemented | Not Fully Implemented | No Longer Relevant/ Management Decision Not To Implement |
| Audit of Cash Handling – Transit and Parking June 25, 2010 | 44 | 39 | 2 | 3 |

Recommendations reported as implemented or no longer relevant in this report will not be reported to Council in the future. All recommendations reported as not fully implemented will be included in subsequent follow-up reviews until fully implemented.

RECOMMENDATIONS NOT FULLY IMPLEMENTED

The two recommendations that have not been fully implemented related to the installation of security cameras and other security equipment at various parking lots. Management agrees with the Auditor General's recommendation, but funding has yet been obtained in order to implement the recommendation.

RECOMMENDATIONS NO LONGER RELEVANT OR MANAGEMENT CHOSE NOT TO IMPLEMENT

Management has chosen not to explore the opportunity for using reloadable transit passes as they believe it is too cost prohibitive at this time. Management has also chosen not to have preset formulas within their Excel worksheets as they believe that this would not significantly save time, increase accuracy or efficiency. They will verify calculations through other methods. The recommendation regarding the review of the job grade for the cashier position was forwarded to the Human Resources department. The job grade was not changed as there was no Council approved resolution to proceed with such an increase.

CONCLUSION

Management has made significant progress in implementing outstanding recommendations. We also acknowledge that progress has been made on the recommendations not fully implemented.

Follow-Up On Improvements For Cash Handling

By: Brian Bigger, Auditor General
On: October 5, 2011
To: Audit Committee

Follow-Up On Improvements

| Report Topic: | Total No. of Recommendations Reviewed | Results of Current Follow Up Review | | |
|--|---------------------------------------|-------------------------------------|-----------------------|---|
| | | Fully Implemented | Not Fully Implemented | No Longer Relevant/ Management Decision Not To Implement |
| Audit of Cash Handling – Transit and Parking | 44 | 39 | 2 | 3 |
| Audit of Cash Handling – Transit and Parking | | | | |
| Original Date Of Report: June 25, 2010 | 100% | 89% | 5% | 6% |

Follow-Up On Improvements

| Report Topics For Which Follow-Up Reviews Have Been Completed To Date | Total No. of Recommendations Reviewed | Status Reported To October 5, 2011 | | |
|---|---------------------------------------|------------------------------------|-----------------------|---|
| | | Fully Implemented | Not Fully Implemented | No Longer Relevant/ Management Decision Not To Implement |
| Misc. Roads Maintenance | 32 | 19 | 11 | 2 |
| Transit Shift trading | 8 | 8 | 0 | 0 |
| Transit Cash Handling | 44 | 39 | 2 | 3 |
| Total | 84 | 66 | 13 | 5 |
| | 100% | 79% | 15% | 6% |