

December 9, 2019

Email [REDACTED]

Dear [REDACTED]

Re: Request for Access to Information under Part II of the Access to Information and Protection Privacy Act (the ATIPP Act, 2015)

On November 8, 2019, the City of St. John's received your request for access to the following information:

The audit report Citizen Service Centre - Cash Handling and any associated decision notes and/or action plans.

As required by Section 8(2) of the ATIPP Act, I have severed information that is unable to be disclosed and have provided you with as much information as possible. The enclosed information has been redacted as per Sections 29, 31, and 35:

Policy advice or recommendations

29. (1) The head of a public body may refuse to disclose to an applicant information that would reveal (a) advice, proposals, recommendations, analyses or policy options developed by or for a public body or minister;

Disclosure harmful to law enforcement

31. (1) The head of a public body may refuse to disclose information to an applicant where the disclosure could reasonably be expected to (l) reveal the arrangements for the security of property or a system, including a building, a vehicle, a computer system or a communications system;

Disclosure harmful to the financial or economic interests of a public body

35. (1) The head of a public body may refuse to disclose to an applicant information which could reasonably be expected to disclose (b) financial, commercial, scientific or technical information that belongs to a public body or to the government of the province and that has, or is reasonably likely to have, monetary value;

Disclosure harmful to the financial or economic interests of a public body

35. (1) The head of a public body may refuse to disclose to an applicant information which could reasonably be expected to disclose (c) plans that relate to the management of personnel of or the administration of a public body and that have not yet been implemented or made public;

Please be advised that you may ask the Information and Privacy Commissioner to review the processing of your access request, as set out in Section 42 of the ATIPP Act. A request to the

ST. JOHN'S

Commissioner must be made in writing within 15 business days of the date of this letter or within a longer period that may be allowed by the Commissioner:

Office of the Information and Privacy Commissioner
2 Canada Drive; P. O. Box 13004, Stn. A, St. John's, NL. A1B 3V8
Telephone: (709) 729-6309; Facsimile: (709) 729-6500

You may also appeal directly to the Supreme Court Trial Division within 15 business days after you receive the decision of the public body, pursuant to Section 52 of the Act.

If you have any further questions, please feel free to contact me by telephone at 576-8429 or by e-mail at kcutler@stjohns.ca.

Yours truly,



Kenessa Cutler
ATIPP Coordinator

ST. JOHN'S

DECISION/DIRECTION NOTE

Title: Citizen Services Centre – Review of Cash Handling

Date Prepared: February 4, 2019

Report To: Audit Committee

Councillor and Role: Councillor Debbie Hanlon, Chair

Ward: N/A

Decision/Direction Required: To approve the Citizen Services Centre – Review of Cash Handling audit report and the associated action plans put forth by management.

Discussion – Background and Current Status:

In accordance with the City's approved audit plan, the Office of the City Internal Auditor recently completed a review of cash handling at the Citizen Services Centre.

The review identified several areas for improvement. Details of these opportunities and related recommendations can be found in the audit report, which is confidential as it relates to the handling of cash. Except for Issue 5.3 (due to system constraints) management have agreed to implement or consider (contingent on budget) all recommendations and intend to have most of the items actioned by the end of December 2019.

The Office of the City Internal Auditor would like to thank the Citizen Services Centre Manager, Supervisor and all staff involved in cash handling at the service centre for their help and time during this review.

Key Considerations/Implications:

1. Budget/Financial Implications
 - There may be budget implications depending on how management decides to mitigate the risks highlighted in the report.

2. Partners or Other Stakeholders
 - N/A

ST. JOHN'S

3. Alignment with Strategic Directions/Adopted Plans
 - Fiscally Responsible
 - Responsive and Progressive
 - Effective Organization
4. Legal or Policy Implications
 - Policies and procedures have been recommended throughout this report
5. Engagement and Communications Considerations
 - N/A
6. Human Resource Implications
 - There may be human resource implications depending on how management decides to mitigate the risks highlighted in the report.
7. Procurement Implications
 - There may be procurement implications depending on how management decides to mitigate the risks highlighted in the report.
8. Information Technology Implications
 - There may be information technology implications depending on how management decides to mitigate the risks highlighted in the report.
9. Other Implications
 - N/A

Recommendation:

To approve the Citizen Services Centre – Review of Cash Handling report and the associated action plans put forth by management.

Prepared and Approved by/Signature: Sean Janes, City Internal Auditor

Attachments: N/A

ST. JOHN'S

INTERNAL AUDIT REPORT

Department of Community Services

Review of Cash Handling: Citizen Services Centre

Assignment # 17-01

Private and Confidential

INTERNAL AUDIT REPORT

Department of Community Services

Review of Cash Handling: Citizen Services Centre

Assignment # 17-01

Private and Confidential

Sean P. Janes, CPA,
CMA, CIA CFE
City Internal Auditor
Date: October 26, 2018

ST. JOHN'S

TABLE OF CONTENTS

INTRODUCTION 1

OBJECTIVES 1

METHODOLOGY & SCOPE..... 1

BACKGROUND 2

NOTE 3

EXECUTIVE SUMMARY 4

DETAILED ANALYSIS 6

Section 1 – Security 6

 Issue 1.1 – [REDACTED] 6

 Issue 1.2 – [REDACTED] 8

 Issue 1.3 – Security Procedures [REDACTED] 10

Section 2 – [REDACTED] 12

 Issue 2.1 – [REDACTED] 12

 Issue 2.2 – [REDACTED] 14

Section 3 – Park Cards 16

 Issue 3.1 – Revenue Completeness (Sales) 16

 Issue 3.2 – Revenue Completeness (Missing Cards) 18

 Issue 3.3 – Procedures for Park Card Sales and Monitoring 19

Section 4– Cash Handling 21

 Issue 4.1 – Policy and/or Procedures 21

 Issue 4.2 – Deleted Transactions 22

 Issue 4.3 – Payments Received by Mail 24

 Issue 4.4 – Security of Deposits 26

 Issue 4.5 – Cash Sales Floats 27

 Issue 4.6 – Change Float..... 29

 Issue 4.7 – Cheques Received at Other City Departments/Divisions 30

 Issue 4.8 – Compliance with PCI DSS 31

 Issue 4.9 – Petty Cash..... 32

Section 5 – Metrobus and GoBus Cards 35

 Issue 5.1 – Written Procedures 35

 Issue 5.2 – Revenue Completeness (Reconciliations) 36

 Issue 5.3 – Metrobus Card System Log-in Passwords 37

Section 6 – Parking Permits 39

 Issue 6.1 – Written Procedures..... 39

 Issue 6.2 – Receiving Process..... 40

 Issue 6.3 – Limiting Access to Parking Permits 41

 Issue 6.4 – Revenue Completeness (Reconciliations) 42

Section 7 – Miscellaneous 44

 Issue 7.1 – Electrical and Plumbing Licenses 44

 Issue 7.2 – Animal Licenses 45

31(1)(l)

To: Chair & Council Members, Audit Committee

Area Responsible: Tanya Haywood, Deputy City Manager – Community Services
Mary Walsh, Manager – Citizen Services

Copy to: Kevin Breen, City Manager

INTRODUCTION

OBJECTIVES

In accordance with the City's approved audit plan, the objectives of this review are to assess whether:

1. the service is being managed with due regard to risks and due diligence (risk management),
2. processes and structures are implemented to inform, direct, manage and monitor activities that are intended to move the City toward the achievement of our strategic plan (governance processes), and
3. the process is being managed with due regard to control processes - i.e. policies, procedures, regulations and council directives (control processes).

It is the overall areas of risk management, governance processes and control processes which structured the work carried out during the review.

METHODOLOGY & SCOPE

This review of cash handling at the Citizen Services Centre has been undertaken in accordance with the approved three-year audit plan. To meet the review objectives, research was conducted on security, cash handling and petty cash best practices. In addition, audit procedures included interviews with management and staff, a walk-through of the area with the Manager, Corporate Security and detailed testing of various supporting documentation such as Daily

Cash Verification forms, Deposit Reports, Cash Balancing Reports, Deleted Receipts reports, Cash Over/Short reports, etc. Key inputs and outputs of the various functions were identified and assessed for relative importance and risk, with the main area of the audit focused on areas involving higher risk.

The scope of the audit was limited to a review of cash handling, petty cash and security. The period under review was mainly January 2017 to May 2017. However, due to unforeseen circumstances, the fieldwork for the review was interrupted and as a result fieldwork continued into mid-2018.

BACKGROUND

The Citizen Services Centre is a fully integrated Customer Service Centre geared to a quality focused service strategy for residents and commercial customers. Services are provided 24 hours a day, 365 days a year using a customer response management (CRM) electronic tracking system to provide a corporate wide response to client requests; an interactive e-government web portal, providing access to a myriad of City services through the City's website; an online 311 app and front counter walk-in service. The service is outsourced between the hours of 11:00 PM to 7:00 AM daily and for all City approved holidays; however, at present, payments cannot be processed during outsourced hours.

The Citizen Services Centre is located on the first floor of City Hall and this is where citizens come to avail of front counter services such as: paying taxes in person; purchasing parking permits, Metrobus passes, GoBus passes, animal licenses; paying for building permits and licenses, etc.

██
██
██
██. However,

35(1)(b)
31(1)(l)

prior to finalization of this report management have implemented a new cheque processing system which allows for immediate deposit of cheques to the City's bank account. [REDACTED]

[REDACTED]

In addition, the Centre maintains a [REDACTED] petty cash float that is used by several different divisions within City Hall.

35(1)(b)
31(1)(l)

Staffing at the Citizen Services Centre for 2017 consists of a manager, a supervisor, three Citizen Services Representatives II and thirteen Citizen Services Representatives I (six full-time positions, five part-time positions and two call-in positions). Total budgeted expenditures for the Centre for 2017 is \$1,783,867.

NOTE

The review of the Citizen Services Centre began in the first quarter of 2017. In May 2017, after substantial completion of the fieldwork, the Office of the City Internal Auditor was requested to immediately begin a review at Mile One Centre. As a result, fieldwork was halted for the Citizen Service Centre review and an interim exit meeting was held with management to discuss issues identified to that point. Fieldwork did not recommence until the 3rd quarter of 2018.

To complete this review and not further delay other assignments on the audit plan we did not revisit work already completed. However, as can be seen in management comments throughout this report, management had already begun to address some of the issues identified in 2017 and implement recommendations. They should be commended for doing so.

EXECUTIVE SUMMARY

Internal Audit's review of the Citizen Services Centre of the Department of Community Services has been undertaken in accordance with the approved three-year audit plan. The audit centered on security, cash handling, and petty cash and focused on risk management, governance processes and control processes.

Audit testing and procedures utilized during the review identified several positive outcomes and controls in place in the division such as:

- management involvement in the bank deposit process.
- use of a safe to store cash and other valuables.
- strong management presence and commitment to improvement and change.

However, the audit also identified areas for improvement. Some of the more significant items are:

- [REDACTED]
 - [REDACTED]
 - [REDACTED]
 - [REDACTED]
 - [REDACTED]
- [REDACTED]
 - [REDACTED]
 - [REDACTED]
 - [REDACTED]
 - [REDACTED]

29(1)(a)
31(1)(l)

- [REDACTED]
 - [REDACTED]

29(1)(a)
31(1)(l)

- Segregation of Duties and Controls Over Revenue Completeness
 - The protection of assets could be further improved by properly segregating duties in areas such as the receipt of mail and processing of void transactions. Also, strengthening controls over revenue completeness by performing reconciliations of sales of items such as park cards, Metrobus cards, parking permits, etc. would enhance the protection of assets.
- Procedures
 - The division would greatly benefit from developing a detailed set of procedures covering numerous processes, including:
 - receiving of items such as park cards, Metrobus cards, animal licenses, etc.,
 - cash handling,
 - reconciliations,
 - storage requirements,
 - sales, etc.

Additional recommendations of a less significant nature can be found in the body of the report. It should be noted that management have agreed to implement or further investigate all recommendations.

DETAILED ANALYSIS

Section 1 – Security

Issue 1.1 – [REDACTED]

The main area of the Citizen Services Centre consists of two service counters – the main service counter which processes payments for taxes (property, water, etc.) and other fees, and the building and development counter which processes payments for building permits, etc. [REDACTED]

[REDACTED] Also, behind the counters are Park Cards, Parking Permits, Contractor Licenses, etc. available for sale. [REDACTED]

[REDACTED]
[REDACTED]
[REDACTED]

35(1)(b)
31(1)(l)

[REDACTED]
[REDACTED]

[REDACTED]
[REDACTED]
[REDACTED]

Recommendation 1.1

[Redacted]

- [Redacted]
- [Redacted]

29(1)(a)
31(1)(l)

Management Response and Intended Course of Action 1.1

- [Redacted]
- [Redacted]

35(1)(c)
31(1)(l)

Conclusion 1.1

The recommendations will be implemented as stated above.

Action By: Manager, Citizen Services

Action Date: Mar 2019

Information Only: DCM, Community Services
DCM, Finance & Administration
Manager, Emergency Preparedness & BCP

Issue 1.2 – [REDACTED]

As part of the audit procedures a walk-through of the Citizen Services Centre was performed with the Corporate Security Manager. Some potential issues that were identified from this walk-through are:

- [REDACTED]
- [REDACTED]

35(1)(b)
31(1)(l)

[REDACTED]

Recommendation 1.2

- i) [REDACTED]

29(1)(a)
31(1)(l)

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

ii) [Redacted]

[Redacted]

[Redacted]

[Redacted]

29(1)(a)
31(1)(l)

Management Response and Intended Course of Action 1.2

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

35(1)(c)
31(1)(l)

[Redacted]

[Redacted]

[Redacted]

Conclusion 1.2

Management have indicated that some improvements have been made and that the recommendations are being considered in light of budgetary constraints.

Action By: Manager, Citizen Services

Action Date: TBD

Information Only: DCM, Community Services
DCM, Finance & Administration
Manager, Emergency Preparedness & BCP

Issue 1.3 – Security Procedures [REDACTED]

Through discussions with management it was determined that a formal, written document, specific to the Citizen Services Centre, outlining the measures to be taken by staff in the event of a robbery or other type of threat incident where there is a risk to employee safety does not exist. This type of document would help to ensure employees know what to do when threatened and could result in a better outcome for employees in these instances.

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

31(1)(l)

Recommendation 1.3

To help ensure employee safety management should:

- i) develop a formal, written document outlining the measures to be taken by staff in the event of a robbery or other type of threat incident.

Management should consult with the Manager, Emergency Preparedness & BCP in the development of this document. In addition, employees should receive training on these procedures on a yearly basis.

[REDACTED]
[REDACTED]

31(1)(l)

Management Response and Intended Course of Action 1.3

We agree with the recommendations and have consulted with the Manager, Emergency Preparedness & BCP regarding implementation.

Conclusion 1.3

The recommendations will be implemented as stated above.

Action By: Manager, Citizen Services

Action Date: Apr 2019

Information Only: DCM, Community Services
DCM, Finance & Administration
Manager, Emergency Preparedness & BCP

Section 2 – [REDACTED]

Issue 2.1 – [REDACTED]

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

[REDACTED]
[REDACTED]

- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]

31(1)(l)
35(1)(b)

[REDACTED]
[REDACTED]

Recommendation 2.1

[REDACTED]
[REDACTED]

- [REDACTED]
- [REDACTED]
- [REDACTED]

29(1)(a)
31(1)(l)

■ [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

Management Response and Intended Course of Action 2.1

■ [REDACTED]
[REDACTED]
[REDACTED]
■ [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

35(1)(c)
31(1)(l)

Conclusion 2.1

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

35(1)(c)
31(1)(l)

Action By: Manager, Citizen Services

Action Date: TBD

Information Only: DCM, Community Services
DCM, Finance & Administration
Manager, Emergency Preparedness & BCP

Issue 2.2 – [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

35(1)(b)
31(1)(l)

[REDACTED]

Recommendation 2.2

[REDACTED]

[REDACTED]

- [REDACTED]

[REDACTED]

29(1)(a)
31(1)(l)

ii) [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

Management Response and Intended Course of Action 2.2

- [REDACTED]
- [REDACTED]

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

35(1)(c)
31(1)(l)

Conclusion 2.2

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

35(1)(c)
31(1)(l)

Action By: Manager, Citizen Services

Action Date: TBD

Information Only: DCM, Community Services
DCM, Finance & Administration

Section 3 – Park Cards

Issue 3.1 – Revenue Completeness (Sales)

The Citizen Services Centre sells Park Cards that can be loaded/reloaded with value to be used in the City's parking meters. The price for a new Park Card is \$2.00 and management indicated that they can be loaded up to a value of \$100.

To load a Park Card a Citizen Services Representative (CSR) opens the Mackay Card System software on their computer terminal and logs-in. [REDACTED]

31(1)(l)

[REDACTED] The CSR will then enter the amount to be loaded on the card in the system software and place the Park Card in the card reader to load the amount on the card. Once the card is loaded the CSR must log on the Govern system to input the amount loaded on the card and enter the payment information. The two systems are not integrated.

[REDACTED]

35(1)(b)
31(1)(l)

Recommendation 3.1

[REDACTED]

29(1)(a)

[Redacted]

Management Response and Intended Course of Action 3.1

[Redacted]

31(1)(l)
35(1)(c)

[Redacted]

Conclusion 3.1

[Redacted]

35(1)(c)

Action By: Manager, Citizen Services

Action Date: Jun 2019

Information Only: DCM, Community Services
DCM, Finance & Administration
DCM, Planning, Engineering & Regulatory Services
Director, Corporate Information Services
Manager, Regulatory Services

Issue 3.2 – Revenue Completeness (Missing Cards)

The Parking Services Division orders the Park Cards and delivers them to the Citizen Services Centre. [REDACTED]

31(1)(l)
35(1)(b)

Recommendation 3.2

To ensure revenue completeness over Park Cards management must be able to account for the cards in their possession. This can be achieved by:

- i) ensuring the Park Cards are counted by the Citizen Services Centre when they are delivered by the Parking Services Division. The count should be agreed to by both parties and should be documented on a form that is signed and dated by both parties to ensure a proper audit trail. A copy of the completed form should be maintained on file by management.
- ii) developing a spreadsheet to help keep track of the cards. The spreadsheet should indicate which cards are in the safe, at the front counter or have been sold (e.g. 100 cards located in the safe, 20 cards located at the front counter, 80 cards sold).
- iii) reconciling the number of cards remaining to the number of cards sold per the Govern system on a regular basis (i.e. monthly). This will help to ensure that management is aware if cards go missing.

Management Response and Intended Course of Action 3.2

We agree with these recommendations and they have been completed for the 2019 cards.

Conclusion 3.2

Management indicates that these recommendations have been implemented.

Action By: Manager, Citizen Services

Action Date: Complete

Information Only: DCM, Community Services
DCM, Finance & Administration
DCM, Planning, Engineering & Regulatory Services
Manager, Regulatory Services

Issue 3.3 – Procedures for Park Card Sales and Monitoring

During discussions management indicated that there are no written procedures regarding the Park Card receiving process, sales process or monitoring/reconciliation process. Written procedures can be an important training tool and help to make certain that everyone is aware of their responsibilities. This helps to ensure that employees and management perform their duties in an efficient and consistent manner thereby improving customer service and decreasing errors.

Recommendation 3.3

Management should develop written procedures for the Park Card receiving process, how to process Park Card transactions in the Mackay Card system and the Govern system as well as document any review, approval or reconciliation procedures carried out by management. Once developed the procedures should

be distributed to the affected employees and training should be provided if required.

Management Response and Intended Course of Action 3.3

Process is being developed, including written procedures, and will be communicated to all impacted staff.

Conclusion 3.3

The recommendation will be implemented as stated above.

Action By: Manager, Citizen Services

Action Date: Mar 2019

Information Only: DCM, Community Services

Section 4– Cash Handling

Issue 4.1 – Policy and/or Procedures

Cash handling policies and procedures are critical to any organization that handles cash in the workplace. Good cash handling procedures can help protect the organization from loss as well as protect its employees and aid in the deterrence of internal and external theft of cash.

The Citizen Services Centre has a small booklet entitled “Cash Handling Course” that covers topics such as accountability, petty cash, and cash receipts; however, the procedures are outdated, basic and many important topics are not discussed. Documented, detailed cash handling policies and/or procedures would be beneficial to management and the Customer Services Representatives and would be useful for training purposes.

Recommendation 4.1

Management should develop cash handling policies and/or procedures for the Citizen Services Centre and should contact the Department of Finance & Administration for guidance on what should be included. At a minimum, the procedures should cover:

- i) petty cash and cash drawers to be secured at all times,
- ii) safe to be opened by two people, whenever possible
- iii) cash must be counted, with the count documented on a form, at the beginning and end of each shift. The count must be verified, and the form must be signed and dated by both parties,
- iv) the cash deposit must be approved by someone with no cash handling duties, preferably a member of management with appropriate sign-offs,
- v) personal information associated with cash deposits (e.g. credit card receipts) must be properly secured or disposed of,
- vi) reconciliations of cash deposits to the accounting records must be made in a timely manner,

- vii) combinations to safes must be changed whenever an individual no longer requires the combination to perform their duties,
- viii) how to perform the daily deposit and reconciliation processes,
- ix) which management reports (e.g. void transactions, cash over/short, etc.) are to be printed, how often they are to be printed (i.e. daily, weekly, monthly), and who should review and approve them.

Management Response and Intended Course of Action 4.1

Citizen Services Centre

We have a cash handling document in place that we have reviewed with and made available to staff. We will also document cash handling procedures. It would be useful if there were corporate financial policies to help guide our procedures.

Financial Services Division

Financial Services is currently working with the City's Policy Analyst on a corporate wide cash handling/petty cash policy.

Conclusion 4.1

The recommendations will be implemented as stated above.

Action By: Manager, Citizen Services

Action Date: May 2019

Information Only: DCM, Community Services
DCM, Finance & Administration
Manager, Financial Services

Issue 4.2 – Deleted Transactions

When a Customer Service Representative (CSR) makes an error when performing a transaction in the Govern computer system the transaction is

deleted, and a new transaction is completed. A transaction is also deleted if a refund is requested by a customer on the same day that the original transaction took place (refund requests for transactions that occurred on a previous day are processed through the Department of Finance & Administration). When a transaction is deleted it is removed from the system; therefore, strong internal controls are required for deleted transactions.

[REDACTED]

31(1)(l)
35(1)(b)

In addition, management indicated that they were not aware that a report of deleted transactions could be generated from the Govern system. Reviewing reports of deleted transactions would be a strong control to ensure that management was aware of transactions that have been deleted and could highlight trends such as high levels of deleted transactions performed by certain CSR's.

Recommendation 4.2

To improve controls over deleted transactions management should:

- i) review the feasibility of restricting the ability to delete transactions to only the Manager and Supervisor of Citizen Services,
- ii) if it is determined that the ability to delete transactions cannot be restricted to management only, then generate and review reports of deleted transactions daily, as part of the daily sales reconciliation process. These

reports should be included in the daily sales package to ensure a proper audit trail and

- iii) generate and review reports of deleted transactions on, at least, a monthly basis to determine if the number of deleted transactions are reasonable and to observe any trends that may require further investigation and/or training.

Management Response and Intended Course of Action 4.2

We will restrict the ability to delete transactions to management only and will generate and review reports on a monthly basis as recommended.

Conclusion 4.2

The recommendations will be implemented as stated above.

Action By: Manager, Citizen Services

Action Date: Jun 2019

Information Only: DCM, Community Services
DCM, Finance & Administration

Issue 4.3 – Payments Received by Mail

To ensure the security of payments (i.e. cheques and cash) received by mail best practices require a proper segregation of duties between individuals who receive the payments and those that have the ability to process payments. Best practices also recommend the listing of all payments received by mail in a log that can later be used to reconcile the payments received to the deposit.

██
██
██

31(1)(l)
35(1)(b)

[REDACTED]

Recommendation 4.3

[REDACTED]

- [REDACTED]
- [REDACTED]

[REDACTED]

29(1)(a)
31(1)(l)

[Redacted]

Management Response and Intended Course of Action 4.3

[Redacted]

35(1)(c)

Conclusion 4.3

The recommendations will be implemented as stated above.

Action By: Manager, Citizen Services

Action Date: Jun 2019

Information Only: DCM, Community Services

Issue 4.4 – Security of Deposits

[Redacted]

35(1)(b)
31(1)(l)

[Redacted]

[REDACTED]

[REDACTED]

Recommendation 4.4

[REDACTED]

29(1)(a)
31(1)(l)

Management Response and Intended Course of Action 4.4

Process as recommended.

Conclusion 4.4

Management indicates that the recommendation is implemented.

Action By: Manager, Citizen Services

Action Date: Complete

Information Only: DCM, Community Services
DCM, Finance & Administration

Issue 4.5 – Cash Sales Floats

To ensure accountability over cash sales floats best practices require they be counted and verified whenever they change hands (i.e. at the beginning and end of each shift), that access to the floats be limited and that a proper audit trail be maintained indicating responsibility for the floats.

[REDACTED]

35(1)(b)
31(1)(l)

Recommendation 4.5

[REDACTED]

- [REDACTED]
- [REDACTED]

29(1)(a)
31(1)(l)

Management Response and Intended Course of Action 4.5

Recommendation i) and ii) are complete. Recommendation iii) is inconsistent. Will enforce consistency.

Conclusion 4.5

Management indicates that the recommendations are implemented.

Action By: Manager, Citizen Services

Action Date: Complete

Information Only: DCM, Community Services

Issue 4.6 – Change Float

The Citizen Services Centre maintains a [REDACTED] change float which is used to make change for the cash sales floats when required. Best practices for accountability and security over cash requires it to be securely stored, with limited access, and for regular, documented counts of the cash to ensure it remains intact.

35(1)(b)
31(1)(l)

[REDACTED]

Recommendation 4.6

[REDACTED]

- [REDACTED]

29(1)(a)
31(1)(l)

[REDACTED]
[REDACTED]

Management Response and Intended Course of Action 4.6

Process and documentation sheet developed by supervisor. Weekly count of change float started.

Conclusion 4.6

Management indicates the recommendations are implemented.

Action By: Manager, Citizen Services **Action Date:** Complete

Information Only: DCM, Community Services

Issue 4.7 – Cheques Received at Other City Departments/Divisions

Discussions with management disclosed that the Citizen Services Centre frequently [REDACTED]
[REDACTED] The Citizen Services Centre then processes and deposits the cheques. This increased handling of cheques is not efficient and increases the risk of the cheques becoming misplaced or misappropriated.

31(1)(l)
35(1)(b)

Recommendation 4.7

Management should issue a memorandum to all City Departments/Divisions that
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

Management Response and Intended Course of Action 4.7

Will request the Deputy City Manager, Finance and Administration to do same.

Conclusion 4.7

The recommendation will be implemented as stated above.

Action By: Manager, Citizen Services

Action Date: Jun 2019

Information Only: DCM, Community Services

Issue 4.8 – Compliance with PCI DSS

Any organization that accepts payments by debit and/or credit card must comply with the Payment Card Industry Data Security Standard (PCI DSS). Non-compliance with the standard can result in the payment card industry restricting the organization's ability to accept payment cards depending on the severity of noncompliance, though this action is unlikely.

Although reviewing the Citizen Services Centre's operations against the PCI DSS was outside the scope of this audit one possible compliance issue did come to our attention. Through discussions with management it was disclosed that, at times, other City Departments have submitted customer credit card information to the service centre by email, mainly to make payment for permits. This practice is not in compliance with the PCI DSS. Management also indicated that the occurrence of this practice has decreased significantly in the past year due to changes made in the permit application process.

Recommendation 4.8

To be compliant with the Payment Card Industry Data Security Standard management should instruct staff not to accept credit card information over

email. Any individuals sending credit card information to the Citizen Services Centre by email should be contacted to make other payment arrangements.

Management Response and Intended Course of Action 4.8

Agree with recommendation. Complete.

Conclusion 4.8

Management indicates the recommendation is implemented.

Action By: Manager, Citizen Services

Action Date: Complete

Information Only: DCM, Community Services
DCM, Finance & Administration

Issue 4.9 – Petty Cash

The Citizen Services Centre maintains a petty cash fund of [REDACTED] which is used by multiple departments/divisions. [REDACTED]

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

Testing of petty cash documentation and discussions with management disclosed the following:

- of the 36 expenditures made from petty cash during the sample period 24 of them were for two departments/divisions
- there are no written procedures for administering the petty cash fund

[REDACTED]
[REDACTED]
[REDACTED]

35(1)(b)
31(1)(l)

- [REDACTED]
- [REDACTED]

[REDACTED]

Recommendation 4.9

Due to the above noted issues and the fact that most of the petty cash expenditures are only for two departments/divisions management should consider removing the petty cash fund from the Citizen Services Centre. If other departments/divisions require petty cash on a regular basis they should request the establishment of their own petty cash fund from finance.

[REDACTED]

- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]

29(1)(a)
31(1)(l)

Management Response and Intended Course of Action 4.9

Citizen Services Centre

We will discuss this issue with the Finance & Administration Division with the goal of eliminating this petty cash fund.

Financial Services Division

Financial Services agree with abolishing the petty cash fund in access. As stated, most of the petty cash transactions are for other departments/divisions, some of which can be paid using Low Value Purchase Orders or other means.

Conclusion 4.9

The recommendation will be implemented as stated above.

Action By: Manager, Citizen Services

Action Date: Jun 2019

Information Only: DCM, Community Services
DCM, Finance & Administration
Manager, Financial Services

Section 5 – Metrobus and GoBus Cards

Issue 5.1 – Written Procedures

The Citizen Services Centre sells and loads/reloads Metrobus and GoBus cards for the St. John's Transportation Commission. Once loaded with value the cards can be used to pay fares on Metrobus and GoBus instead of having to use cash.

There are a number of different processes performed by the Citizen Services Centre related to the receiving, storing, selling and reconciling of the Metrobus and GoBus cards; however, there are no written procedures for management and staff to follow when performing these processes. Written procedures would be helpful to promote accountability and help ensure that processes are performed consistently and accurately.

Recommendation 5.1

To promote accountability and help ensure consistency and accuracy in operations management should develop written procedures for the Metrobus and GoBus card processes, including the receiving, storing, sales and reconciliation processes.

Management Response and Intended Course of Action 5.1

Procedures will be developed. Receiving process initiated.

Conclusion 5.1

The recommendation will be implemented as stated above.

Action By: Manager, Citizen Services

Action Date: Jun 2019

Information Only: DCM, Community Services

Issue 5.2 – Revenue Completeness (Reconciliations)

The Supervisor, Citizen Services orders the Metrobus and GoBus cards by sending an email to Metrobus. Metrobus sends the cards and a “Transit Pass/Mcard Issues” form, by courier, to the Citizen Services Centre. The “Transit Pass/Mcard Issues” form lists the range of card numbers sent by Metrobus and the Citizen Services Centre uses this form to ensure they received all cards. This is a good control to help ensure completeness of the cards.

[REDACTED]

31(1)(l)

[REDACTED] Although the risk of lost revenue from missing cards is low, since cards must be loaded with value on the Metrobus card system prior to use, it would still be beneficial for management to be aware of any missing cards so that they can investigate the reason for any loss.

Recommendation 5.2

When the cards are received management should document the card numbers and the location of each card (e.g. safe, front counter, sold, etc.) in a spreadsheet. Management should use the information in the spreadsheet to perform regular reconciliations (e.g. monthly) between cards sold and cards remaining to determine if all cards are accounted for.

Management Response and Intended Course of Action 5.2

Will complete as recommended.

Conclusion 5.2

The recommendation will be implemented as stated above.

Action By: Manager, Citizen Services

Action Date: Jun 2019

Information Only: DCM, Community Services

Issue 5.3 – Metrobus Card System Log-in Passwords

To load a Metrobus or GoBus card with value the Customer Service Representatives (CSR's) must use the Metrobus card system to load the card and the Govern computer system to input payment information. The systems are not integrated.

[Redacted text block]

31(1)(l)

Recommendation 5.3

[Redacted text block]

29(1)(a)

31(1)(l)

Management Response and Intended Course of Action 5.3

[Redacted]

31(1)(l)

Conclusion 5.3

[Redacted]

31(1)(l)

Action By: Manager, Citizen Services

Action Date: N/A

Information Only: DCM, Community Services

Section 6 – Parking Permits

Issue 6.1 – Written Procedures

The Citizen Services Centre sells and distributes (where required) parking permits for the Parking Services Division. The City of St. John's sells parking permits to residents and businesses for a variety of reasons including for residential parking on specified streets, for contractors doing business in a residential permit parking area, for parking in City parking lots, etc. In all, the Citizen Services Centre administers more than 25 different types of parking permits.

There are several different processes performed by the Citizen Services Centre related to the receiving, storing, selling and reconciling of the parking permits; however, there are no written procedures for management and staff to follow when performing these processes. Written procedures would be helpful to promote accountability and help ensure that processes are performed consistently and accurately.

Recommendation 6.1

To promote accountability and help ensure consistency and accuracy in operations management should develop written procedures for the parking permit processes, including the receiving, storing, sales and reconciliation processes.

Management Response and Intended Course of Action 6.1

A new parking permit system will be implemented in 2019. We will develop written procedures as requested upon implementation of the new system.

Conclusion 6.1

The recommendation will be implemented as stated above.

Action By: Manager, Citizen Services

Action Date: Dec 2019

Information Only: DCM, Community Services
DCM, Planning, Engineering and Regulatory Services
Manager, Regulatory Services

Issue 6.2 – Receiving Process

The Parking Services Division orders the parking permits on an annual basis. Best practices in receiving require items to be counted and verified against documentation, such as a packing slip, when received to ensure completeness of the items and to be able to assign accountability. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Recommendation 6.2

31(1)(l)
35(1)(b)

[REDACTED]

[REDACTED]

[REDACTED] This documentation should be signed by a representative from the Citizen Services Centre and from the Parking Services Division. A copy of the documentation should be maintained on file at the service centre and a copy should be forwarded to the Supervisor, Parking Services for their records. [REDACTED]

[REDACTED]

Management Response and Intended Course of Action 6.2

This process was performed for the 2019 parking permits and will be reviewed upon implementation of the new parking permit system.

Conclusion 6.2

The recommendation will be implemented as stated above.

Action By: Manager, Citizen Services

Action Date: Dec 2019

Information Only: DCM, Community Services
DCM, Planning, Engineering and Regulatory Services
Manager, Regulatory Services

Issue 6.3 – Limiting Access to Parking Permits

To ensure protection of organizational assets items of value should be properly stored in an area with limited access. This must be balanced against the organizations needs to access the items for operational purposes. The City's parking permits are valuable items and are sold at various prices from \$0 (City Hall employee parking permits, City Hall meter exempt parking permits, etc.) to \$250 annually (service provider parking permit);

[Redacted text block]

[Redacted text block]

35(1)(b)
31(1)(l)

Recommendation 6.3

[Redacted text block]

29(1)(a)

[REDACTED]

Management Response and Intended Course of Action 6.3

This process was performed for the 2019 parking permits and will be reviewed upon implementation of the new parking permit system.

Conclusion 6.3

The recommendation will be implemented as stated above.

Action By: Manager, Citizen Services

Action Date: Dec 2019

Information Only: DCM, Community Services
DCM, Planning, Engineering and Regulatory Services
Manager, Regulatory Services

Issue 6.4 – Revenue Completeness (Reconciliations)

Management at the Citizen Services Centre indicated that there is no reconciliation process performed between parking permits on hand and permits sold. [REDACTED]

[REDACTED]

31(1)(l)
35(1)(b)

Recommendation 6.4

[REDACTED]



Management Response and Intended Course of Action 6.4

This process will be completed for the 2019 parking permits and will be reviewed upon implementation of the new parking permit system.

Conclusion 6.4

The recommendation will be implemented as stated above.

Action By: Manager, Citizen Services

Action Date: Dec 2019

Information Only: DCM, Community Services
DCM, Planning, Engineering and Regulatory Services
Manager, Regulatory Services

Section 7 – Miscellaneous

Issue 7.1 – Electrical and Plumbing Licenses

The Citizen Services Centre sell electrical and plumbing contractor's and journeyman licenses for the Inspection Services Division. These licenses are required by electrical and plumbing contractor's and journeyman to work in the City of St. John's. The cost of the licenses is \$220 for a contractor's license and \$35 for a journeyman license and are; therefore, valuable documents.

[REDACTED]

35(1)(b)
31(1)(l)

[REDACTED]

Recommendation 7.1

[REDACTED]

29(1)(a)
31(1)(l)

Management Response and Intended Course of Action 7.1

[Redacted]

35(1)(c)

Conclusion 7.1

The recommendations will be implemented as stated above.

Action By: Manager, Citizen Services

Action Date: Jun 2019

Information Only: DCM, Community Services
DCM, Planning, Engineering and Regulatory Services
Manager, Regulatory Services

Issue 7.2 – Animal Licenses

The Citizen Services Centre sell animal licenses (i.e. cat and dog tags) for the Humane Services Division. Residents of St. John’s are required to have their pets licensed and must submit an application along with a \$15 fee.

The licenses are sent to the Citizen Services Centre by the Humane Services Division yearly; [Redacted]

[Redacted]

31(1)(l)

[Redacted]

