
Cash Handling Review
Edmonton City Centre West Parkade

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1. Introduction

Cash Handling Reviews determine whether cash resources are handled in a manner consistent with established City requirements and whether they are adequately safeguarded against loss. They also assess the adequacy and effectiveness of internal controls within cash-handling locations. Cash Handling Reviews consist of an objective review and evaluation of the cash-handling practices and procedures relating to the receiving, transporting, storing, depositing, recording and safeguarding of City money (including cash, cheques, credit cards and debit cards).

The Office of the City Auditor (OCA) selected five cash-handling projects for review in 2005. Projects were selected based on a number of criteria including estimated revenue; volume of transactions processed; cash-handling risk; date of previous audit undertaken in the area, if any; and history of problems and control weaknesses identified. The Edmonton City Centre West Parkade, with annual revenue of approximately \$1.8M was selected for review based on these criteria.

2. Background

The Edmonton Centre Parkade is owned by Oxford Properties Group and is leased to the City of Edmonton Asset Management and Public Works Department – Land and Building Branch. The lease is a turn-key agreement where all operating costs are borne by the City of Edmonton. Advanced Parking Systems Ltd is contracted by the lessor to operate the parkade. All non-monthly vehicle movements and associated revenue collection are recorded in ScanNet – an integrated PC-based parking management system that controls and monitors parking operations.

All monies collected by the contractor are deposited into the City's bank and the deposit information is sent to the Finance Branch for follow-up and reconciliation with the ScanNet system and SAP (the City's financial information system). For each shift, cashiers prepare a deposit which is reconciled to the ScanNet system.

3. Objectives

Because the parking operations are performed by a contractor, our objective was to determine whether controls and systems are in place to ensure that revenues reported and submitted by the contractor are complete and accurate.

4. Methodology and Scope

The OCA reviewed the physical security and cash handling procedures and practices at the facility and conducted several audit tests to assess the adequacy and effectiveness of cash handling controls. Areas reviewed included (a) cash equipment, vaults and skim safes; (b) controls over floats; (c) controls over refunds, voids and cancellations; (d) reconciliation of daily sales and deposit preparation. The OCA reviewed cash handling procedures at the facility during June and July 2005.

5. Observations and Recommendations

The OCA has no findings to report. Our review indicated that cash controls at the Edmonton Centre Parkade are strong. In particular, we noted good segregation of duties and strong reconciliation controls.

Conclusions

In all cash reviews conducted by the OCA, the OCA's goal is to provide assistance in helping the Administration strengthen internal controls and to improve methods of prevention and detection of fraud.

We wish to thank the staff and management of both the contractor and the City of Edmonton for their cooperation and support during this review.