



OFFICE OF THE
City Auditor

Kinsmen Sports Centre – Cash Handling Review
Follow Up
July 15, 2008

The Office of the City Auditor conducted
this project in accordance with the
*International Standards for the
Professional Practice of Internal Auditing*

Kinsmen Cash Handling Review Follow-up

1. Introduction

This is a follow-up review to determine the status of the OCA's recommendation contained in the Cash Handling Review - Kinsmen Sports Centre on May 9, 2005. The primary objective of that review was to assess the level of compliance with established City policies and procedures for cash handling and to evaluate the adequacy and effectiveness of controls over cash handling at the Kinsmen Sports Centre with the intent to minimize loss of revenue resulting from theft or error.

The follow-up review was limited to the action taken by the Customer services division of the Recreation Facilities Services Branch to address the recommendation. The original report contained action plans to address the recommendation by December 2005. Through the completion of the follow-up review, we conclude that the Branch has implemented the recommendation.

2. Summary of Original Report

In 2005, we conducted a cash handling review of the Kinsmen Sports Centre. We 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, and no sales (d) reconciliation of daily sales and deposit preparation. We identified one opportunity for improvement, that recurring reports be generated to show patterns of cashiers' use of cash registers and that abnormal results be investigated. Management accepted the recommendation and committed to full implementations of the recommendations by December 2005.

3. Results of Follow-up Review

To determine the status of the recommendation, we completed the following steps:

1. Paper-based follow-up: we requested the Supervisor, Customer Services, Recreation Facilities Services Branch provide us with documentation that substantiates the degree of completion of the recommendation and action plan.
2. Fieldwork: where required, we validated the information provided to support the actions taken.
3. Management confirmation: we confirmed the status of the recommendation with management.

3.1. Recommendation 1 - Implemented

The Office of the City Auditor recommends that recurring reports be generated to show patterns of cashiers' use of cash registers and that abnormal results be investigated.

The Branch is unable to produce the appropriate report internally; however, the OCA can produce the reports. We have provided the reports for the third and fourth quarters of 2007 and the Branch is reviewing the work of cashiers at all recreation facilities with abnormal percentages of no sales to total transactions and returns to total sales.

4. Conclusion

The Branch has implemented the recommendation contained in our original report. In addition to their other controls, this will make them aware of inappropriate cash register usage and find indicators of cash handling problems or potential frauds.

We thank all City staff who participated in this review for their support, cooperation and feedback.