



The Corporation of the City of London Parking Revenue Generation Assessment

Audit Performed: February – April 2018
Final Report Issued: June 2018

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Executive summary

Introduction

As part of the Internal Audit Plan, an assessment of the City of London (the 'City') Parking Services' revenue generation commenced in February 2018. Citizens of London and visitors have access to convenient short-term on-street parking and long-term off-street parking that is intended to support businesses, commercial and institutional facilities as well as entertainment venues. Parking Services has recently taken on large initiatives including implementing the new parking enforcement technology and rebranding Parking Services. Specifically, the new parking enforcement technology implementation was divided into three phases:

1. Live enforcement data, ticket management, and court process,
2. Mobile Payment App, Overnight Parking Pass module, and
3. Paid Parking Permit module, Administrative Monetary Penalties (AMP), Assets & Operations module.

The purpose and objective of this review was to:

- Review the processes and controls in place to manage Parking Services' cash transactions, cash deposits, and cash reconciliations;
- Review the processes to monitor cash handling for Parking Services; and
- Review the Parking Services' budgeting and strategic prioritization processes.

Key strengths

Revenue handling activities: Parking Services has implemented effective activities to adequately control the intake of money as revenue from different sources. Specifically, Parking Services maintains effective procedures and controls to accept, record, reconcile and deposit money for on-street and off-street parking, monthly parking permits, and ticket payment. All revenue sources including parking meters (coin), mobile Honk app, master meter (credit card), and front counter office payment transactions are operating effectively in a controlled environment.

Information technology systems: Parking Services is committed to adopting information technology system solutions that meet the desired needs for effective and efficient parking service operations. In 2016, Parking Services introduced the Command Center hub, a central parking database, to their environment where they have been able to realize significant operational improvements such as customizable and automated reporting. As an extension of this hub, Parking Services is also nearing the implementation phase for an asset and operations module designed to more effectively record and monitor parking revenue and expenses.

Roles and responsibilities: Parking Services staff interviewed during this assessment demonstrated a clear understanding of their roles and responsibilities as it relates to revenue generation and related parking service operations. Parking Services staff were able to communicate how their responsibilities not only contribute to the generation of revenue but also demonstrated a need to maintain effective control through proper segregation of duties and to avoid any duplication of efforts.

Key observations

Deloitte’s review of the parking revenue generation practices identified the following observations:

Priority	High	Medium	Low	Leading Practice
Observations	2	3	3	0

High priority observations

Observation 1.0: Parking Services strategy

- **Observation:** A clear overall Parking Services strategy for the City has not been formally documented or consistently articulated. There is a need for Parking Services to establish an overall strategic direction to clearly articulate desired/target outcomes for parking by-law enforcement. It is also unclear how performance targets and metrics are used to measure the effectiveness of parking programs.
- **Risk & implication:** Absent desired outcomes defined, Parking Services may not have clearly articulated what it is seeking to achieve with respect to the goals and expectations of the service delivery and how to demonstrate progress towards those objectives.
- **Management action plan:** Management recognizes the need to establish and adopt a formal parking management strategy for the City. However noting that this strategy would also incorporate the work already performed for the London Downtown Parking Strategy.
 - Parking Services management will work to establish and adopt an overall strategy by:
 - Performing activities to recruit a municipal specialist resource (September 2018).
 - Leveraging the municipal resources to assist in development of a financial funding strategy to be ready for the 2020 budget (June 2019).

Developing an initial draft of the parking management strategy in consultation and collaboration with relevant stakeholders, e.g. Senior Leadership Team, Council, etc. (December 2019).
- **Responsible party:** Orest Katolyk, Chief Municipal Law Enforcement Office, December 31, 2019

Observation 2.0: Parking Services risk inventory

- **Observation:** There is currently no formal documentation to demonstrate that Parking Services has identified and defined parking services related risks, including existing or emerging risks. The risks are not formally monitored which may lead to Parking Services misaligning attention and resources.
- **Risk & implication:** There is no common view on the set of key parking risks, which may lead to a lack of clarity on which risks Parking Services should be focusing both attention and resources.
- **Management action plan:** During the process to develop the parking management strategy as outlined in the action plan for 1.0, Management will record the key risks and opportunities identified. Within this list, Management will consider the current activities and controls to mitigate those risks, and/or conclude whether the risk is acceptable given current business operations. In addition, Management may consult with the City’s Risk Management Division for assistance with these efforts.
- **Responsible party:** Orest Katolyk, Chief Municipal Law Enforcement Office, December 31, 2019

Medium priority observations

Observation 3.0: Customer service monitoring

- **Observation:** Parking Services does not currently maintain a formal mechanism to solicit feedback from customers for parking related service offerings including enforcement, on/off-street parking, and mobile app experiences. Additionally, procedures to address received customer feedback have not been formally documented. There are also no clear criteria to consistently evaluate feedback, nor guide the escalation of issues if required.
- **Risk & implication:** Parking Services may be unaware of customer feedback that demonstrates a need or opportunity for improvement or changes to customer service delivery.
- **Management action plan:** Management recognizes that when paying for a parking infraction most feedback received is negative. To encourage the capturing of relevant and constructive feedback Management will narrow the scope of feedback to specific services and/or initiatives. In addition, management will formalize the process to address customer feedback, in terms of criteria to evaluate feedback and escalate issues.
- **Responsible party:** Orest Katolyk, Chief Municipal Law Enforcement Office, March 31, 2019

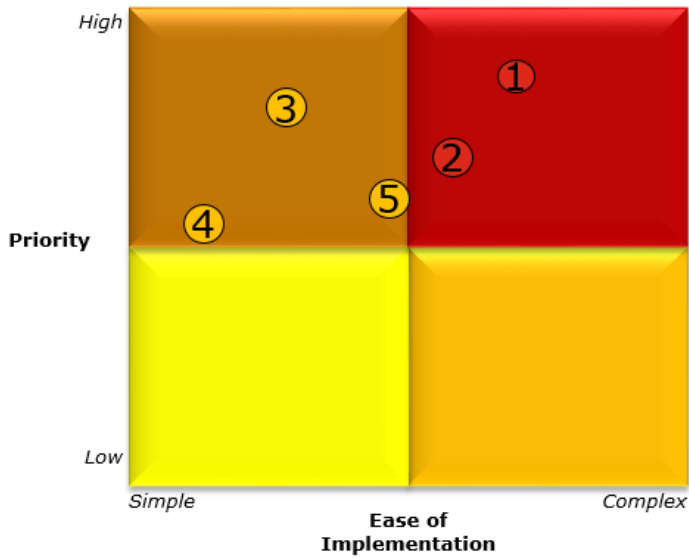
Observation 4.0: Documented procedures

- **Observation:** Internal Audit noted that a limited number of business processes are documented for Parking Services to ensure standard operating procedures (SOP) are performed effectively and consistently throughout each year. These processes include budget to actual comparisons, invoice processing, bank statement reconciliations, and fund remittance. Internal Audit also noted that of the currently documented processes and guidelines some did not have a date of last revision recorded, or had not been revised since 2010.
- **Risk & implication:** The lack of documented practices could lead to ineffective, inefficient, or duplicated processes. The lack of documented SOP may restrict Parking Services' ability to effectively onboard and train new staff.
- **Management action plan:** Management will prepare standard operating procedures and/or refresh where required.
- **Responsible party:** Annette Drost, Manager of Municipal Law Enforcement Services, Parking Services, June 30, 2019.

Observation 5.0: Asset management operations

- **Observation:** Current asset management practices involve manual performance of related reconciliations, recorded results, and manual preparation of the relevant journal entries for posting by the Financial Services department. Specifically for meter coin revenue, there is heavy reliance on manual procedures. The current process requires additional time to perform operations, as well as, a higher risk of inaccurate results due to its manual nature. Management has self-identified this issue and per discussion with Management, Internal Audit noted that Parking Services is currently planning to implement the Gtechna module for asset management operations beginning in 2018.
- **Risk & implication:** Manual and time consuming operations could result in ineffective allocation of resources. There is also risk of inaccurate data that may be used as an input to Parking Services reporting and analysis activities.
- **Management action plan:** Management will continue with the implementation of the Gtechna module for asset management operations, with consideration for the recommended points. Noting that Parking Services is working closely with IT during this implementation and go-live dates are dependent on the agreed upon project schedule.
- **Responsible party:** Annette Drost, Manager of Municipal Law Enforcement Services, Parking Services, June 30, 2019.

Priority heat map

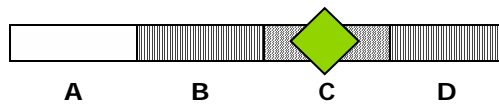


Conclusion

Based on our assessment of parking revenue generation practices we noted two high priority observations with significant operational improvement opportunity, three medium priority observations with the potential to impair the effectiveness of current processes and three low priority observations with minor potential to impair the effectiveness of current processes. The issues noted in the report should be addressed in a timely manner to enhance current controls and mitigate relevant risks.

Management is to provide action plans for the observations noted in the 'Detailed observations and recommendations' section.

The following scale depicts our overall process conclusion as it relates to the scope of areas audited as outlined above:



Description	Definition
A	No or insignificant process control or efficiency weaknesses identified
B	Minor process control or efficiency weaknesses identified
C	Moderate process control or efficiency weaknesses identified
D	Significant control process or efficiency weaknesses identified Impairing the effectiveness of the process

Detailed observations and recommendations

Observation 1.0 – Parking Services strategy

Observation	Implication	Recommendation	Management comments and action plan	Responsible party and timing
<p>1.0 Parking Services strategy</p> <p>The 2016 – 2019 Parking Business Plan notes the objective, “To build a better City by providing a successful Parking Service”, however beyond the recent development of the London Downtown Parking Strategy, a clear overall parking services strategy for the City has not been formally documented or consistently articulated.</p> <p>Internal Audit also noted it was unclear as to how the City uses the performance targets from the 2016 – 2019 Parking Business Plan and annual metrics reported to Municipal Benchmarking Network (MBN) of Canada to measure and monitor the effectiveness of parking programs in the absence of a formal strategy.</p>	<p>1.0 Parking Services strategy</p> <p>Without desired outcomes defined, Parking Services may not have clearly articulated what it is seeking to achieve with respect to the goals and expectations of the service delivery and how to demonstrate progress towards those objectives</p>	<p>1.0 Parking Services strategy</p> <p>Parking Services should establish and adopt a formal parking management strategy. When establishing a parking services strategy, Management should consider the following:</p> <ul style="list-style-type: none"> • Collaborate with the Senior Leadership Team and Council to define the direction of Parking Services with respect to providing parking space and by-law enforcement, and subsequently develop a clear parking services vision and mission and ensure these aspirations align with City strategy; • Create key objectives and guiding principles to establish an environment that can control strategic activities and decision making, as well as, measure achievements; • Evaluate core capabilities to better understand and inform decisions when developing a strategy including: <ul style="list-style-type: none"> ◦ Customer understanding –Ability to know the customer base, uncover unarticulated needs within the City, and identify opportunities. 	<p>Management Agrees</p> <p>Action plan:</p> <p>Management recognizes the need to establish and adopt a formal parking management strategy for the City. However noting that this strategy would also incorporate the work already performed for the London Downtown Parking Strategy.</p> <p>Parking Services management will work to establish and adopt an overall strategy by:</p> <ul style="list-style-type: none"> • Performing activities to recruit a municipal specialist resource (September 2018). • Leveraging the municipal resources to assist in development of a financial funding 	<p>Orest Katolyk, Chief Municipal Law Enforcement Office</p> <p>December 31, 2019</p>

- Innovation – Capacity to translate understanding of customer needs into an effective brand and services.
 - Brand building – Build and deploy a distinctive brand for strengthening customer satisfaction and loyalty.
 - Service delivery – Capability concerns and investing in partnerships to deliver more value to customers.
 - Document a schedule to review periodically the strategy, vision, mission, guiding principles and objectives to refresh in response to parking trends and external factors in order to sustain a current and effective model.
- Developing an initial draft of the parking management strategy in consultation and collaboration with relevant stakeholders, e.g. Senior Leadership Team, Council, etc. (December 2019).

Once the parking management strategy has been established, Parking Services management should also identify the measures that would support ongoing monitoring of progress towards objectives, performance measure targets and strategic goals, and provide standard reporting as required to Senior Leadership Team and/or Council.

In addition, following from the development of a parking management strategy and implementation of administrative monetary penalty process, Management may consider the opportunity to revisit the workflow within the Parking Services department.

strategy to be ready for the 2020 budget (June 2019).

Observation 2.0 – Parking Services risk inventory


Observation	Implication	Recommendation	Management comments and action plan	Responsible party and timing
<p>2.0 Parking Services risk inventory</p> <p>There is currently no formal documentation to demonstrate that Parking Services has identified and defined parking services-related risks, including existing or emerging risks. Consequently, risks are not formally monitored or trended which may lead to Parking Services misaligning attention and resources.</p>	<p>2.0 Parking Services risk inventory</p> <p>There is no common view on the set of key Parking Services risks, which may lead to a lack of clarity on which risks Parking Services should be focusing both attention and resources.</p>	<p>2.0 Parking Services risk inventory</p> <p>In conjunction with observation 1.0, during development of parking management strategy and through ongoing operations, management should perform an exercise to formally identify and prioritize the risks faced by Parking Services. Management should also establish a cycle to identify emerging risks and regularly evaluate existing risks on an ongoing basis.</p>	<p>Management Agrees</p> <p>Action plan:</p> <p>During the process to develop the parking management strategy as outlined in the action plan for 1.0, Management will record the key risks and missed opportunities identified. Within this list, Management will consider the current activities and controls to mitigate those risks, and/or conclude whether the risk is acceptable given current business operations.</p> <p>In addition, Management may consult with the City's Risk Management Division for assistance with these efforts.</p>	<p>Orest Katolyk, Chief Municipal Law Enforcement Office December 31, 2019</p>

Observation 3.0 – Customer service monitoring

Observation	Implication	Recommendation	Management comments and action plan	Responsible party and timing
<p>3.0 Customer service monitoring</p> <p>Parking Services does not currently maintain a formal mechanism to solicit feedback from customers with respect to all parking related service offerings (e.g., enforcement, on/off-street parking, mobile app, etc.). While Parking Services currently provides a method to report specific types of requests for parking by-law enforcement, there is no clear mechanism to intake customer feedback for parking services more broadly (e.g., complaints about Parking Enforcement Officers, Parking Services staff, parking availability, etc.). The 'Report a Parking Complaint' webpage is solely a general mailbox for submitting complaints requiring Parking Enforcement Officers to investigate.</p> <p>Additionally, procedures to address received customer feedback have not been documented. There are no clear criteria to consistently evaluate feedback, nor guide escalation of issues.</p>	<p>3.0 Customer service monitoring</p> <p>There is risk that Parking Services is unaware of customer feedback that demonstrates a need or opportunity for improvement or changes to customer service delivery.</p>	<p>3.0 Customer service monitoring</p> <p>Parking Services should consider formalizing a mechanism for intake of customer service feedback with respect to all parking related service offerings (e.g. enforcement, on/off-street parking, mobile app, etc.). An example of the mechanism may include a dedicated mailbox or survey. This mechanism should be supported by operational activities with assigned responsibility and clear expectations. When establishing a formal mechanism, Parking Services management should consider:</p> <ul style="list-style-type: none"> • Required supporting operational activities, including ongoing monitoring of feedback received, criteria to evaluate feedback, and criteria to escalate to appropriate City management for resolution; • Collaborating with stakeholders and peer municipal parking services leadership to determine needs and use of customer service information that is measurable and meaningful; • Identifying key performance indicators (e.g., meter down time, etc.) and operational metrics measuring activities that could objectively demonstrate customer service levels; and • Formalizing a reporting process to actively gauge, interpret and monitor any identified trends within received customer feedback. 	<p>Management Agrees.</p> <p>Action plan:</p> <p>Management recognizes that when paying for a parking infraction most feedback received is negative. To encourage capture of relevant and constructive feedback, management will aim the mechanism at specific services and/or initiatives such as potential expansions to payment options or methods (i.e., Administrative Monetary Penalties).</p> <p>In addition, management will formalize the process to address customer feedback, in terms of criteria to evaluate feedback and escalate issues.</p>	<p>Orest Katolyk, Chief Municipal Law Enforcement Officer</p> <p>March 31, 2019</p>

Observation 4.0 – Documented procedures

Observation	Implication	Recommendation	Management comments and action plan	Responsible party and timing
<p>4.0 Documented procedures Internal Audit noted a limited number of business processes are documented for Parking Services to ensure standard operating procedures (SOP) are performed effectively and consistently throughout each year. This includes a lack of documentation surrounding procedures to perform budget to actual comparisons, and to process invoices to make payment, reconcile bank statements, verify MTO funds received, and remit funds to MTO. In addition, the results of business processes have not been documented, for example approval of void tickets, daily cash balancing, revenue recording and deposits, MTO remittance, expense recording, and accounts payable.</p> <p>Internal Audit also noted that of the currently documented processes and guidelines, including Cancellation Guidelines and Cale Credit Card Bank Deposit Instructions (i.e., meter revenue) either they do not have a date of last revision recorded, or have not been reviewed and revised since 2010. Currently, there is no schedule with assigned responsibility to regularly review and revise</p>	<p>4.0 Documented procedures The lack of documented practices could lead to ineffective, inefficient, or duplicated processes.</p> <p>The lack of documented SOP may restrict Parking Services' ability to effectively onboard and train new staff.</p>	<p>4.0 Documented procedures Parking Services should document all relevant SOP while also establishing a cycle to regularly review and revise SOP documentation on an ongoing basis. When preparing to document SOP and create a review cycle, Parking Services management should consider the following:</p> <ul style="list-style-type: none"> • Performing a gap assessment on current operations and future-state desires to understand implications on SOP documentation; • Generating an inventory of all standard operating procedures documents and creating and recording performance of a review schedule at an appropriate frequency; • Utilizing tracked changes within Microsoft Word and version control while also documenting the date of last revision with management approval to clearly articulate completion of any review and revision. • Documenting an executive summary for each SOP to clearly articulate role responsibility, management oversight, etc.; and • Storing all relevant documentation centrally for ease of access using a City approved database (e.g., SharePoint, etc.). 	<p>Management Agrees. Action plan: Management will prepare standard operating procedures and/or refresh where required.</p>	<p>Annette Drost, Manager of Municipal Law Enforcement Services, Parking Services June 30, 2019</p>

Observation	Implication	Recommendation	Management comments and action plan	Responsible party and timing
 standard operating procedures and guidelines.				

Observation 5.0 – Asset management operations

Observation	Implication	Recommendation	Management comments and action plan	Responsible party and timing
<p>5.0 Asset management operations</p> <p>Internal Audit noted that current asset management practices involve manual performance of related reconciliations, record results, and manual preparation of the relevant journal entries for posting by the Financial Services department.</p> <p>Specifically for meter coin revenue, there is heavy reliance on manual procedures to reconcile actual coin received, record actual revenue on paper, independently reconcile revenue recorded on paper, record reconciled revenue on multiple Microsoft Excel sheets, and prepare the journal entries for approval and posting. This current process requires additional time to perform operations as well as a higher risk of inaccurate results due to its manual nature.</p> <p>Management has self-identified this issue and per discussion with Management, Internal Audit noted that Parking Services is currently planning to implement the Gtechna module for asset management operations during 2018.</p>	<p>5.0 Asset management operations</p> <p>Manual and time-consuming operations could result in ineffective allocation of resources. There is also risk of inaccurate data that may be used as an input to Parking Services reporting and analysis activities.</p>	<p>5.0 Asset management operations</p> <p>Parking Services should continue to proceed with implementation of Gtechna module for asset management operations to realize opportunities to have more efficient and effective asset management through automation. When assessing different options for adoption, Parking Services management should consider the following:</p> <ul style="list-style-type: none"> • Performing a cost-benefit analysis to understand the return on investment from adopting automated activities; • Assessing alternatives to understand alignment with strategic priorities, key objectives and City goals; • Document detailed user requirements are documented and leverage to ensure module specifications are appropriate for needs of Parking Services; • Ensuring identified risks within the asset management processes have been appropriately mitigated within the Gtechna module, and an audit trail is available for detailed investigation as required; and • Reviewing current role responsibilities to better fit the potential process frameworks with consideration given to effective segregation of duties. 	<p>Management Agrees.</p> <p>Action plan:</p> <p>Management will continue with the implementation of the Gtechna module for asset management operations, with consideration for the recommended points.</p> <p>Noting that Parking Services is working closely with IT during this implementation and go-live dates are dependent on the agreed upon project schedule.</p>	<p>Annette Drost, Manager of Municipal Law Enforcement Services, Parking Services June 30, 2019</p>

Observation 6.0 – User access permission: Gtechna system

Observation	Implication	Recommendation	Management comments and action plan	Responsible party and timing
<p>6.0 User access permission: Gtechna system</p> <p>There is a lack of procedures designed to periodically review user access permissions to the Gtechna system. Through sample-based testing, it was also determined that some individuals no longer employed by Parking Services still hold active access permissions to Gtechna modules.</p> <p>There are also no approved standard access permissions recorded to ensure permissions are appropriately designed and controlled for each role and periodically reviewed to remain current with role responsibilities.</p>	<p>6.0 User access permission: Gtechna system</p> <p>There is risk that individuals may have inappropriate access that could lead to unauthorized activities on the Gtechna system.</p>	<p>7.0 User access permission: Gtechna</p> <p>Parking Services management should formalize a review process to ensure that user access permissions are periodically reviewed and updated as needed. When formalizing the process, Parking Services management should consider the following:</p> <ul style="list-style-type: none"> • Documenting standardized access level permissions by role considering segregation of duties and privileged access. This includes defining and recording exceptions to standard permissions; • Creating a schedule to periodically review all access level permissions to remain current with role responsibilities and staff changes; • Assigning responsibility to an individual with adequate knowledge to perform an effective review; • Implementing a standard template to record and store performance of each review including validation of required changes; and • Establishing an oversight mechanism to ensure that periodic reviews and resulting actions are completed in a timely fashion. 	<p>Management Agrees.</p> <p>Action plan:</p> <p>Management will develop and implement procedures for the regular review of user access permissions in Gtechna system to ensure that appropriate access is maintained.</p>	<p>Annette Drost, Manager of Municipal Law Enforcement Services, Parking Services March 31, 2019</p>

Observation 7.0 – Ministry of Transportation of Ontario (MTO) cheque validation

Observation	Implication	Recommendation	Management comments and action plan	Responsible party and timing
<p>7.0 MTO cheque validation Existing practices for Parking Services to validate the amount of MTO cheques received for Defaulted Fines Control Centre (DFCC) court fines and DFCC fine amounts requires enhancement. Parking Services is currently performing procedures to independently calculate the DFCC court fine portion of the cheque. There is a need to enhance procedures to more effectively verify the DFCC fine amount portion.</p> <p>In addition, there is no formalized process in place for Parking Services to follow-up with the MTO when cheque amounts cannot be reconciled.</p>	<p>7.0 MTO cheque validation There is risk that the City is not receiving the full amount owed by the MTO as agreed upon in the relevant contract for parking tickets processed with MTO.</p>	<p>7.0 MTO cheque validation Parking Services should enhance the current process to ensure that the full amount of each cheque received from the MTO is reasonably reconciled. Parking Services management should perform an evaluation to identify, develop, and implement a mechanism to reconcile each cheque to within a reasonable level of comfort. Recording of the performance of this reconciliation should also be maintained for management to perform periodic reviews as a form of active oversight.</p> <p>Parking Services management should also document a formal process to follow-up with the MTO for instances where a cheque is not received when expected or received for an incorrect amount. This document should list the main point of contact and be reviewed periodically to remain current with contract obligations.</p>	<p>Management Agrees. Action plan: Management can only verify the information as provided by the MTO, which is currently being completed within Parking Services. Management also agrees that enhancements to the documentation is required and will develop and implement standard operating procedures to validate MTO cheques. This SOP will include standard follow-up procedures when amounts cannot be reasonably validated.</p>	<p>Annette Drost, Manager of Municipal Law Enforcement Services, Parking Services September 28, 2018</p>

Observation 8.0 – Contracted Commissionaires employee engagement

Observation	Implication	Recommendation	Management comments and action plan	Responsible party and timing
<p>8.0 Contracted parking enforcement officer engagement</p> <p>There has been high turnover of the contracted parking enforcement officers (the “Commissionaires”) who serve the City. Between January 1, 2016 and December 31, 2017, 10 officers left the service for reasons including inability to pass training, rescinding job acceptance, involuntary termination, and different employment opportunities.</p>	<p>8.0 Contracted parking enforcement officer engagement</p> <p>There is risk that continued contracted Commissionaires employee turnover could lead to increased costs and ineffective delivery of parking services.</p>	<p>8.0 Contracted parking enforcement officer engagement</p> <p>Parking Services management should consider and develop additional methods to assist in lowering the rate of turnover in the contracted Commissionaires.</p> <p>Strategies to consider, include the following:</p> <ul style="list-style-type: none"> • Instituting a periodic meeting for all officers to come together as a team and discuss relevant topics, current concerns, and leading practice; • Recognize and emphasize positive outcomes that clearly relate to Parking Services achieving key objectives; • Rolling out an engagement survey to the contracted Commissionaires to gain input of any practical suggested recommendations to further support retention efforts; and • Revising upcoming request for quotes (RFQ) and request for proposals (RFP) to include qualitative factors, e.g. turnover metrics clause, uniform subsidies, and/or part time hours... 	<p>Management Agrees.</p> <p>Action plan:</p> <p>Management will look to continue with the periodic meetings for all officers to discuss relevant topics and leading practice.</p> <p>In addition, during the next round of contracting with a third party vendor, Parking Services will look to include additional qualitative factors in the RFQ and RFP to address additional contracted parking enforcement officer engagement opportunities.</p>	<p>Annette Drost, Manager of Municipal Law Enforcement Services, Parking Services June 30, 2019</p>

Appendix 1: Internal Audit detailed scope

Specifically, the internal audit addressed the following areas:

Reviewed and assessed the processes and controls in place to manage Parking Services' cash transactions, cash deposits, and cash reconciliations

- Reviewed existing cash handling process, policies, by-laws, and guidelines to collect, control, and secure cash including segregation of duties;
- Assessed existing procedures to receive and administer parking related disputes; and
- Assessed the roles and responsibilities of staff to ensure segregation of duties as well as duplication of effort

Assessed procedures and controls, on a sample basis, and identified opportunities for operational efficiencies. Reviewed and assessed the processes to monitor cash handling for Parking Services

- Reviewed activities in place to govern the collection, control, and deposits of cash;
- Assessed procedures that identify and report cash handling process exceptions (e.g., non-compliance with Corporate Cash Handling Directives, etc.); and
- Assessed procedures that actively oversee cash intake and cash accounts including related reconciliations (e.g., cash from meters, bank account balances, etc.).





Reviewed and assessed the Parking Services' budgeting and strategic prioritization processes

- Reviewed the current framework in place for budget development and strategic prioritization;
- Reviewed the budget allocation for commissioner enforcement and evaluated in relation to current priorities;
- Assessed the procedures that evaluate sources of revenue and related costs in relation to current priorities; and
- Reviewed the process in place that aligns the practices and activities with the current budget and priorities.

Appendix 2: Internal Audit rating scale

Individual observation prioritization

Internal Audit will prioritize each observation and recommendation within a report using a three point rating scale. The three point rating scale will be as follows:

Description	Definition
 High	Observation is high priority and should be given immediate attention (e.g. 0-3 months) due to the existence of either significant internal control risk or a potential significant operational improvement opportunity.
 Medium	Observation is a moderate priority risk or operational improvement opportunity and should be addressed in the near term (e.g. 3-6 months).
 Low	Observation does not present a significant or medium control risk but should be addressed (e.g. within a 6-12 month timeframe) to either improve internal controls or process efficiency.
 Leading Practice	Consideration should be given to implementing recommendations in order to improve the maturity of the process and align with leading practices.

Appendix 3: Stakeholder involvement

In conducting the assessment, the following management and staff were interviewed to gain an understanding of the City's parking revenue generation processes and practices.

Stakeholder	Position
Annette Drost	Manager, Municipal Law Enforcement Services, Parking Services
Angela Gilker	Manager, Accounts Payable, Financial Services
Kelly Medinilla	Manager, Accounting, Financial Services
Various – Deloitte met with various management and staff in the Parking Services Service Area to gather an in-depth understanding of the management compensation processes and practices and perform audit procedures.	

Appendix 4: Audit procedures performed

As part of the Parking Revenue Generation Assessment the following procedures were performed:

- Conducted a planning meeting with the Chief Municipal Law Enforcement Officer, Managing Director of Development and Compliance Services and Chief Building Official, and Manager of Municipal Law Enforcement Services;
- Updated and issued a finalized Project Charter and request for information;
- Conducted meetings and interviews with Parking Services management and staff to:
 - Gain an understanding of the processes and controls in place to manage cash transactions, cash deposits, and money reconciliations;
 - Identify and obtain an understanding of the processes to monitor cash handling for Parking Services; and
 - Obtain an understanding of the budgeting and strategic prioritization framework and processes including budget development and review of operational activities against parking priorities;
- Obtained documentation regarding relevant procedures and controls to perform an inspection of:
 - 2017 Parking Year End Monitoring;
 - 2018 Budget Guidelines;
 - Guide Parking Enforcement;
 - London Downtown Parking Strategy;
 - London Ontario Parking Management Best Practices – Tool Box;
 - MBN Canada 2016 Performance Measurement Report;
 - Asset Management SOW;
 - Parking Tickets and Pass Stats 2014 – 2017;
 - Parking Replacement: Meter Parking Automation Requirements;
 - Top 10 Parking Questions;
 - Traffic & Parking By-law;
 - Overnight Parking Memo;
 - Cale Credit Card Bank Deposit Instructions;
 - Daily Reconciliation Instructions;
 - Month-end Disbursement Instructions;
 - Cancellation Guidelines; and
 - Inquiry – Standard Operating Procedures;
- Conducted sample testing activities related to cash handling controls, revenue related operational controls, monitoring controls, and budgeting and strategic prioritization to identify areas for improvement;
- Drafted observations and validated observations with management;
- Conducted a closing meeting with key management stakeholders to validate and communicate our findings; and
- Issued this internal audit report with our detailed observations.



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