

Controls Over Parking Tags Need Strengthening

Date:	January 27, 2010
To:	Audit Committee
From:	Auditor General
Wards:	All
Reference Number:	

SUMMARY

Our review identified opportunities for strengthening controls in the administration of parking tag revenues. Certain of our recommendations, however, will necessitate negotiation with the Province and will require legislative change. In view of the significant potential revenue opportunities, such negotiations should occur as soon as possible.

RECOMMENDATIONS

The Auditor General recommends that:

1. The Treasurer, in consultation with the City Solicitor, request amendments to provincial legislation pertaining to the issue of parking tickets related to drive-away vehicles. The requested amendments allow parking tags to be mailed directly to registered vehicle owners.
2. The Treasurer review the practices currently adopted by 407 International Inc. in connection with the collection of out-of-province receivables. Such a review also include the practices of other jurisdictions. Further, the Treasurer review the potential use of collection agencies. If required, requests for amendments to provincial legislation be made in order to facilitate the collection of out-of-province receivables.
3. The Treasurer re-evaluate the criteria supporting the discretionary cancellation of parking tags. Policies and procedures concerning the preparation and retention of documentation in support of cancellations be developed. Supporting documentation be randomly reviewed by supervisory staff. In addition, management reports be developed and reviewed on an ongoing basis to identify anomalies and trends.

4. The Treasurer, in consultation with the Chief Information Officer, review the potential of automating certain aspects of the documentation requirement process as it pertains to pre-court filing documents and request for trials. Such a process should be conducted in consultation with the City Solicitor in order to ensure that the automation of certain processes is not contrary to legislation and, if required, amendment to the provincial legislation be requested.
5. The Treasurer review the parking enforcement process as it relates to the issue and cancellation of parking tags for delivery and courier vehicles. Such a review include an evaluation of best practices in other Canadian and US jurisdictions. If required, amendments to provincial legislation be requested.
6. The Treasurer direct all staff that parking tag adjustments processed through the Parking Tag Management System are appropriately documented and that each adjustment be accompanied by an appropriate audit trail. Such documentation be reviewed on a random basis by supervisory staff.
7. The Treasurer review the current plate denial process. Such a review take place in consultation with the Ministry of Transportation and focus on the reasons why significant receivables continue to be outstanding beyond the two-year licence plate renewal period. Improvements identified be implemented in order to maximize the effectiveness of the plate denial system.
8. The Treasurer review the parking tag collection process, prioritise those receivables which relate to individuals and entities who have significant receivables owing on multiple plates and consider conducting corporate searches to identify these entities. Once identified the appropriate follow-up process be conducted including the use of collection agencies specifically directed to these accounts.
9. The Treasurer review the possibility of providing collection agencies with specific information including the names and addresses of individuals and companies with outstanding parking tags. Amendments to provincial legislation be requested, if required.
10. The Treasurer review the extent of receivables submitted to collection agencies such that collection agencies are provided information on entities who have parking tags owing on more than one vehicle. Finally, the Treasurer consider providing collection agencies with more up to date receivable information.
11. The Treasurer, in consultation with the Chief Information Officer, review the current cheque processing system so that payments relating to tags in plate denial status and payments which have previously been made are identified more easily by those staff receiving payment. Such a process would reduce the administrative process of issuing refund cheques.

12. The Treasurer review the merits of amending the cheque collection process so that NSF fees are clearly identified and subsequently collected. Amendments to provincial legislation be requested, if required.
13. The Treasurer develop a formal change control process. Application development should be separate from system administration, and developers should not install their own programs to the production environment.
14. The Treasurer develop and implement a formal access control and review process. A review of user access should occur periodically and unauthorized users deleted from the authorized user list.

Financial Impact

The implementation of recommendations in this report will improve controls in the management and administration of parking tags. The extent of any resources required or potential cost savings and revenue improvements resulting from implementing the recommendations in this report is not determinable at this time.

DECISION HISTORY

This report provides the results of the Auditor General's review of the administration, collection and cancellation of parking tags at the City's Revenue Services Division. This review was conducted as part of the Auditor General's Annual Work Plan.

COMMENTS

The Auditor General's report entitled "Controls Over Parking Tags Need Strengthening" is attached as Appendix 1. Management's response to each of the recommendations contained in this report is attached as Appendix 2.

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SIGNATURE

Jeffrey Griffiths, Auditor General

07-PFR-01

ATTACHMENTS

Appendix 1: Controls Over Parking Tags Need Strengthening

Appendix 2: Management's Response to the Auditor General's Review of Controls
Over Parking Tags Need Strengthening