REPORT FOR ACTION

Exhibition Place Parking Review Audit Report 2023

Date: November 20, 2023
To: Board of Governors of Exhibition Place
From: Don Boyle, Chief Executive Officer
Wards: Ward 10 - Spadina - Fort York

SUMMARY

The City of Toronto Internal Audit was engaged by Exhibition Place in 2023 for the review of the Parking Revenue Process as part of Exhibition Place continuous review of key processes and controls in support of its financial goal to ensure its operations are sustainable and competitively priced. This includes reviewing current systems, agreements, practices, and processes to assess opportunities for more efficient, effective, and sustainable delivery of operations and be open to change, including future enhancements that are required to support growth in our events, conventions, and tradeshow business.

The objectives of this review were to assess whether:

1) Adequate processes and controls are in place to ensure that all sources of Parking Revenues are received/collected and recorded accurately and completely; and
2) Any opportunities for improvement to existing processes and controls.

The review included a review of processes and controls with respect to the following parking revenue streams:

1) Pay and Display, and Mobile app processes, including the settlement of revenues as per the agreement between Exhibition Place and Toronto Parking Authority;
2) Parking Attendants; and
3) Exhibitor Parking.

Exhibition Place Parking Review Report 2023, Appendix A, prepared by the Acting Director, City Internal Audit highlights their review and summarizes issues of the engagement, the auditor's suggestions, and recommendations. Management has provided responses to the audit findings which will help to improve the overall accounting and internal control process and procedures.

City Internal Audit staff will be attending the Board meeting on December 4, 2023 in case there are questions of staff.

RECOMMENDATIONS

The Chief Executive Officer recommends:

1. That the Board receive for information the City of Toronto Internal Audit report attached as Appendix A.

FINANCIAL IMPACT

There are no financial implications to this report.

DECISION HISTORY

The Exhibition Place 2022 – 2026 Strategic Plan, adopted on June 9, 2022. Our Strategic Goal to Ensure Competitively Priced Services and Sustainable Operations; includes reviewing current systems, agreements, practices, and processes to assess opportunities for more efficient, effective, and sustainable delivery of operations be open to change – including future enhancements that are required to support growth in our events, conventions, and tradeshow business.
Agenda Item History - 2022.EP24.12 (toronto.ca)

At its meeting July 31, 2016, the Exhibition Place Finance & Audit Committee approved a three-year rolling cycle to undertake key business / operational audits.
https://www.explace.on.ca/files/file/58b6195c6e38a/Item-2-Proposed-Three-Year-Audit-Plan.pdf

At its meeting on December 9, 2016, the Board approved the audit of Parking Controls and Parking Revenue performed by PricewaterhouseCoopers LLP ("PWC").
Parking Audit (explace.on.ca)

At its meeting on November 15, 2018, the Board approved an additional 3-year cycle review of key internal and operational process.
http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2018.EP15.28

COMMENTS

The Board will continue with its annual plan to review key operational process in the following areas over the next few years:

2024 Revenue/Receivables Process Controls
2025 Purchasing and Expenditures Review
2026 Payroll and Benefits Process Controls Review
2027 Capital Projects Management Process Review

Historically, risk assessment by the City Auditor General Office (AGO) is done every 5 years. The risk assessment process is intended to provide the AGO with a risk ranking of Exhibition Place relative to other units across other City divisions, agencies, and corporations.

It has been eight (8) years since the Board commenced its first cyclical review of key business processes. The first process audited was Parking Controls and Parking Revenue by PricewaterhouseCoopers LLP ("PWC"), whom was our auditor of record in 2016. Since then, the Board has engaged the City of Toronto Internal Auditor Office through a shared services agreement.

In the 2023 Operating Budget, Exhibition Place Parking Access revenue was estimated to be $7.30 million. This includes public parking for Exhibition Place events, BMO Field sporting events, and public use. There are approximately 500,000 vehicles parking on the grounds on an annual basis.

The report from the City includes:

1) Objectives
2) Audit Methodology
3) Findings & Recommendations
4) Management Actions

Objectives of Review

The objectives of this review were to assess whether:

1) Adequate processes and controls are in place to ensure that all sources of Parking Revenues are received/collected and recorded accurately and completely; and
2) Any opportunities for improvement to existing processes and controls.

Audit Methodology

The review consisted of:

1) Reviewing current Exhibition Place operations manuals, procedures, and TPA agreement;
2) Performing walkthroughs of the various Parking Revenue Stream processes;
3) Interviewing parking and finance staff to obtain an understanding of current processes and controls in place;
4) Sample testing of parking revenue from receipt to recording (tracing and vouching procedures);
5) Other procedures as considered necessary.

Findings & Recommendations

City Internal Audit has noted no major issues or weakness in their review. Overall, parking revenues were received and recorded accurately and completely.

Their review did, however, identify opportunities to further strengthen controls related to revenue collection and reporting efficiencies.

Managements Response and Action Plan

This is the area where Exhibition Place management provides a response to the audit recommendations.

Management is receptive to the auditor suggestions and has developed a timetable of implementation as detailed on pages 8 - 10 of the Appendix A report. As well management has communicated findings with TPA and discussed an action plan with them.

CONTACT

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SIGNATURE

Don Boyle
Chief Executive Officer

ATTACHMENTS

Appendix A - Exhibition Place Parking Review Audit Report