



OFFICE OF THE  
**City Auditor**

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# Rundle and Hawrelak Park Concessions Cash Handling Review Follow Up

April 21, 2008

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

# Rundle and Hawrelak Park Concessions Cash Handling Review Follow Up

## 1. Introduction

The Office of the City Auditor (OCA) performed this follow-up review to determine the current status of the recommendation contained in the Cash Handling Review - Rundle and Hawrelak Park Concessions report, which was issued on January 20, 2005.

The review was limited to the action taken by the Community Services to address the recommendation. The original report contained one recommendation and action plan to implement the recommendation. The results of our review are that the recommendation contained in the original report has not yet been completed. Community Services has committed to a revised action plan that will address the recommendation beginning in 2008.

## 2. Background

### 2.1. Summary of Original Report issued on January 20, 2005

The Rundle and Hawrelak Park concession operations, with 2004 combined net revenues of approximately \$20,000, were selected for review because the concession, paddle boat, and mini-golf attractions provided at Rundle and Hawrelak Park are sub-contracted. Our objective was to determine whether controls and systems were in place to ensure that revenues reported and submitted by the contractor were complete and accurate.

Our review consisted of two main procedures. The first was to determine whether the revenue collected, reported and remitted by the contractor was in accordance with the terms and conditions contained in the contractor agreements. This was accomplished by reviewing the contracts and examining monthly contractor revenue submissions to ensure that revenues due to the City were recorded and received. The second procedure was to assess whether the information provided by the contractor is sufficient to enable spot checks and audits.

**Recommendation:** The OCA recommends that the City require the contractor to supply sufficient information to allow spot checks and audits to be completed and that the department ensure that such spot checks and audits are periodically performed.

### **Management Response and Action Plan**

Beginning in 2005, the department will perform periodic spot checks on the facilities. After the monthly revenue statement has been received, the department will request hourly headcount or hourly revenue figures from the contractor and compare the contractor's figures or amounts to the counts made by department staff during the spot check.

## 3. Current State

The OCA conducted this follow-up review in late 2007 and confirmed that the Action Plan had not been implemented. Upon further discussion, the Strategic Service's Branch has agreed to revise the action plan and address the recommendation in 2008.

### **Management's update Action Plan**

*The Strategic Services Branch of Community Services, which oversees contractor operated services, will ask the contractor at Hawrelak and Rundle Parks to provide an hourly reporting on paddle boat bookings and mini-golf rounds starting in 2008. In addition, the Strategic Services Branch will incorporate two spot checks of paddle boat booking and mini-golf rounds and then compare the spot checks with the contractor report. Evidence of the performance of the spot checks will be retained on file by the Strategic Services Office.*

## 4. Conclusion

The recommendation contained in our report is in progress and management expects to fully implement the recommendation beginning in 2008. The recommendation is intended to improve the overall accuracy and completeness of contractor revenue reporting. The OCA will continue to follow the progress of the recommendation and will follow-up with a report to City Council once complete.

The OCA would like to thank the Strategic Services staff who participated in this follow up review for their support, cooperation and feedback.