Ottawa

Office of the Auditor General

**Follow-up to the 2016 Review of CSC Laurier
Cash Handling Process and Cash Discrepancies**

**Tabled at Audit Committee
October 22, 2019**

Follow-up to the 2016 Review of CSC Laurier Cash Handling Process and Cash Discrepancies

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Executive summary

This is the Follow-up to the 2016 Review of CSC Laurier Cash Handling Process and Cash Discrepancies.

The key findings of the original 2016 review included:

- Cash errors were not consistently escalated to the appropriate levels of Client Service Centre (CSC) management promptly. In one instance, there was no notification at all.
- Incident reports were not completed on a timely basis or distributed to Customer Service and Collections Unit as required by the Cash Handling Procedures.
- Cash Pickups were not performed when balances exceeded acceptable levels as required by the Cash Handling Procedures.
- Large cash transactions (i.e. greater than $1,000) were not handled with second person oversight.
- Cash was not adequately secured as required by the Cash Handling Procedures.
- All CSC staff had access to safe combinations, keys, cash drawers and deposit supplies in the cash counting room which led to potential risk of loss and concealment of loss.
- CSC staff were not logging out of POS terminals when the cash handling area was unattended as required by Cash Handling Procedures.
- The change float was not counted and reconciled on a daily basis as required by the Change Float Procedures.
- There was a lack of hand-off of funds and paperwork from one step in the process to another which resulted in the risk of being unable to establish accountability for losses or prevention of losses.
- Daily cash count sheets were not being used by the Laurier CSC to record details of the closing cash count, reconciliation and deposit.
- When CSC staff were processing transactions at POS terminals, the cash drawer opened after every transaction, regardless of whether cash was involved.
- Multiple staff were using the same POS terminal and cash drawer over the course of a day.
- Some Client Service Agents did not have a separate area away from POS terminals and cash handling areas to keep personal items.

- There was no compliance monitoring or quality assurance process in place to ensure ongoing compliance with Cash Handling Policies and Procedures.
- The quality and quantity of security video cameras at the CSCs was not adequate to ensure deposit preparation was recorded appropriately including denominations of notes.
- The functioning of security cameras was not tested on an ongoing basis to ensure they were functioning as required and continued to meet business requirements.
- Client Service Agents did not disclose non arm's length transactions.
- CSC specific operating procedures were not documented to provide guidance to staff involved in handling cash at the CSCs.
- There was no CSC training program for staff involved in cash handling activities at the CSCs.

Table 1: Summary of status of completion of recommendations

Recommendations	Total	Complete	Partially complete	Not started	No longer applicable
Number	26	26	0	0	0
Percentage	100%	100%	0%	0%	0%

Conclusion

Management has made solid progress by completing 26 out of 26 recommendations.

Management should continue to monitor and encourage CSC staff to ensure compliance with Cash handling policies and procedures on an ongoing basis.

Acknowledgement

We wish to express our appreciation for the cooperation and assistance afforded the audit team by management.

Detailed report – Assessment of implementation status

The following information outlines management's assessment of the implementation status of each recommendation as of January 2019 and the Office of the Auditor General's (OAG) assessment as of April 2019.

Recommendation #1

Table 2: Status

Management update	OAG assessment
Complete	Complete

Audit recommendation:

That the City develop CSC policies and/or procedures to provide clear direction on CSC management notification of cash errors or suspected theft when identified by CSC staff including who within CSC management is to be notified, the timelines within which they are to be notified and the dollar value thresholds when an error is to be communicated and/or escalated. The CSC policies and/or procedures should be developed in accordance to the City's Cash Handling Policy and Procedures.

Original management response:

Management agrees with this recommendation. The City's Cash Handling Procedure states: "In the event of suspected internal theft or fraud, the operational supervisor must notify Corporate Security within 24 hours and Customer Service and Collections. The operational supervisor must complete the Incident Report – Corporate and forward a copy to each of the aforementioned units." Further to the City's Cash Handling Procedure, a Client Operations branch-specific Cash Handling procedure has been developed and was approved by the ServiceOttawa departmental management team on April 27, 2016. It provides additional direction to CSC staff which includes: the notification protocol including the dollar value thresholds for escalation for both cash discrepancies and suspected internal theft and fraud; the format for escalation; escalation roles and responsibilities and fraud and waste reporting requirements. The Finance Department is currently completing a final review of the Client Operations Cash Handling Procedure, at which point ServiceOttawa will initiate training and implementation to be completed by Q4 2016.

Management update:

ServiceOttawa implemented a cash handling procedure in October 2016 following a review by Finance (Corporate Services Department). The ServiceOttawa procedure Procedures-Cash Handling Task Checklist section denotes the responsibilities of each role including adherence to Suspected Theft or Fraud rules and reporting all

discrepancies. The Reporting Discrepancies section also provides step-by-step actions on reporting all cash discrepancies and the steps required in a case of suspected theft or fraud.

All new agents are provided with "in person cash handling training". An eTraining module, including how-to video clips and a testing component was developed and is used as a mandatory annual refresher training for all counter staff to ensure continued compliance to the procedure. All employees must obtain a score of 100% on the e-training module in order to recertify in cash handling competencies each year.

OAG assessment:

We reviewed the ServiceOttawa Cash Handling Policy and Procedure document. It includes a management notification process for cash errors and suspected fraud, and it provides direction to staff in case of errors or suspected theft. It is also in accordance with the City-wide Cash Handling Policy and Procedures.

We also confirmed that these policy and procedure documents were circulated to all CSC staff.

Recommendation #2

Table 3: Status

Management update	OAG assessment
Complete	Complete

Audit recommendation:

That the City ensure that staff understand and comply to the appropriate policy and procedures when an error or suspected theft is identified. It is suggested that this is reviewed with all CSC staff on a regular basis in adherence with the policy.

Original management response:

Management agrees with this recommendation. A Client Operations branch-specific Cash Handling Procedure has been developed and was approved by the ServiceOttawa departmental management team on April 27, 2016. The Procedure addresses the steps to take when a cash discrepancy or suspected theft is identified. The Finance Department is currently completing a final review of the Client Operations Cash Handling Procedure, at which point ServiceOttawa will initiate training and implementation to be completed by Q4 2016.

Management update:

ServiceOttawa approved and implemented a cash handling procedure in October 2016 following a review by Finance (Corporate Services Department). The Procedures-Responsibilities section of that document provides details of each role including adherence to Suspected Theft or Fraud rules and reporting all discrepancies. The Reporting Discrepancies and Suspected Theft or Fraud section also provides step-by-step actions on reporting discrepancies. The Training section outlines the roles of the Team Leads in terms of training of new ServiceOttawa staff.

Management reviews compliance with the cash handling policy as a standing item on every management team meeting agenda. This is accomplished through reviewing one or more of three reports that are regularly produced:

1) The Cash Handling Procedure (CHP) report: ServiceOttawa's Quality
   Assurance (QA) staff create reports based on four randomly selected dates
   each month. Each month they will review different requirements within the
   policy such as cash pickup or deposit requirement. Each site is reviewed on
   different dates and aspects of the policy.
2) Camera health check: The QA team also randomly selects dates to review the
   angle and operations of the cameras both in the reconciliation rooms and at
   the counters. This is compiled in a camera health check report also reviewed
   monthly by the management team.
3) Discrepancy Report: Management also reviews a Cash Operations
   discrepancy report provided by the Revenue section.

Any aspects of non-compliance identified in these reports are communicated and
remediation practices are discussed and implemented either with individual staff or with
staff as a whole. To support compliance ServiceOttawa has a robust training program.
See Recommendation 1.

OAG assessment:

Management has developed ServiceOttawa CSC specific Cash Handling Policy and
Procedures which provide direction to CSC staff in case of errors or suspected theft.

A continuous improvement (quality assurance) process has been implemented
providing CSC management with ongoing information on staff's adherence to the Cash
Handling Policies and Procedures.

We observed that an e-learning training module (ServiceOttawa Cash Handling
Training) is available on Ozone. We reviewed training attendance records for two CSCs
and confirmed that staff attended requisite training. CSC staff are also required per the
Cash Handling Policy and Procedure to complete a refresher course on these Policies
and Procedures on an annual basis.

We also reviewed supporting documentation for two months and confirmed that CSC
management has implemented a Quality Assurance (Continuous Improvement) process
to help staff understand and comply with these policies and procedures.

Recommendation #3

Table 4: Status

Management update	OAG assessment
Complete	Complete

Audit recommendation:

That the City ensure cash pickups are performed immediately after a large dollar value cash payment is made in adherence with Cash Handling Procedures which require cash pickups where the total cash on hand exceeds $2,000.

Original management response:

Management agrees with this recommendation. The City's Cash Handling Procedures states: "During peak periods, it may be necessary to remove excess cash from the cash drawer or register to minimize loss by theft or robbery. Cash amounts in cash drawers or registers must not normally exceed $2,000." A Client Operations branch-specific Cash Handling Procedure has been developed and was approved by the ServiceOttawa departmental management team on April 27, 2016. It reduces ServiceOttawa's threshold to $1,000 for cash pickups. It further details the procedure for completing these pickups. The Finance Department is currently completing a final review of the Client Operations Cash Handling Procedure, at which point ServiceOttawa will initiate training and implementation to be completed by Q4 2016.

Management update:

ServiceOttawa implemented a cash handling procedure in October 2016 following a review by Finance (Corporate Services Department). The Procedures-Cash Handling Task Checklist section identifies steps and roles regarding cash pickup processes. The Payment Methods section documents the process for cash pickups once the $1,000 threshold has been reached. See Recommendation 2 with respect to management's review of compliance. To support compliance ServiceOttawa has a robust training program. See Recommendation 1.

OAG assessment:

Management has developed a ServiceOttawa CSC specific Cash Handling Policy and Procedure document which provides guidance on the pickup process with a revised threshold of $1,000.

A continuous improvement (quality assurance) process has been implemented providing CSC management with ongoing information on staff's adherence to the Cash Handling Policies and Procedures.

We reviewed quality assurance reports and supporting documentation for two months to confirm the operation of this ongoing compliance monitoring process.

We also reviewed training attendance records to confirm that CSC staff had been trained on the ServiceOttawa Cash Handling Policies and Procedures including the pickup process.

Recommendation #4

Table 5: Status

Management update	OAG assessment
Complete	Complete

Audit recommendation:

That the City develop CSC specific procedures to require that the chain of custody of cash be adequately documented, including signatures, and that such documentation be maintained within the safe.

Original management response:

Management agrees with this recommendation. A Client Operations branch-specific Cash Handling Procedure has been developed and was approved by the ServiceOttawa departmental management team on April 27, 2016. The Procedure documents the chain of custody for cash pickups and ensures that the Cash Pickup slip is signed and maintained in a secure location at the Client Service Centre. The Finance Department is currently completing a final review of the Client Operations Cash Handling Procedure, at which point ServiceOttawa will initiate training and implementation to be completed by Q4 2016.

Management update:

ServiceOttawa implemented a cash handling procedure in October 2016 following a review by Finance (Corporate Services Department). The Procedure: Responsibilities section of that document denotes the responsibilities of each role including ensuring staff are compliant with cash handling policies and procedures and are conducting transactions only with assigned cash system and floats. The Floats: Extra Float section speaks to security measures for the extra float and change requests and defines steps taken to ensure floats are accurate and chain of custody is maintained from safe to user and back to safe each day. The Safe(s) section speaks to safes now having pin pad access. Users have unique passcodes that track access to the safe. The Key Assignment & Security Protocol section references safeguarding steps required for the float bag keys. The Float Count Sheet includes a signature line to acknowledge float content custody responsibilities. Additionally, ServiceOttawa (with the support of the

Collections & Cash Handling Branch) has implemented a system with new technology that uses a dual-drawer system that provides a unique log-in for each user, which prevents users from accessing drawers other than the one they are signed into. This supports compliance that chain of custody is maintained to the individual user. See Recommendation 2 with respect to management's review of compliance. To support compliance ServiceOttawa has a robust training program. See Recommendation 1.

OAG assessment:

Management has developed ServiceOttawa CSC specific Cash Handling Policy and Procedures which provides the documentation requirements and guidelines related to the chain of custody for cash. We reviewed these CSC specific Cash Handling Policy and Procedures and the Cash Handling Task Checklist which provides additional guidelines about the chain of custody.

During two CSC site visits, we confirmed that the requisite documentation related to cash handling were maintained within the safes.

Recommendation #5

Table 6: Status

Management update	OAG assessment
Complete	Complete

Audit recommendation:

That the City ensure CSC specific procedures are developed to require periodic Sales Reports to be run from each active POS terminal to monitor the cash levels throughout the day to determine when a pickup should be completed.

Original management response:

Management agrees with this recommendation. A Client Operations branch-specific Cash Handling Procedure has been developed and was approved by the ServiceOttawa departmental management team on April 27, 2016. It addresses the monitoring of cash levels throughout the day requiring that cashiers perform periodic sales reports to monitor cash levels. It further requires that the Banker perform a tender report three times daily to monitor cash levels. The Finance Department is currently completing a final review of the Client Operations Cash Handling Procedure, at which point ServiceOttawa will initiate training and implementation to be completed by Q4 2016.

Management update:

ServiceOttawa approved and implemented a cash handling procedure in October 2016 following a review by Finance (Corporate Services Department). The Procedures-Responsibilities section of that document provides details of each role including performing regular Tender Reports. The Payment Methods: Monitoring Levels of Cash section also provides step-by-step actions for cash levels and tender pickups. The Training section outlines the roles of the Team Leads in terms of training of ServiceOttawa staff. See Recommendation 2 with respect to management's review of compliance. To support compliance ServiceOttawa has a robust training program. See Recommendation 1.

OAG assessment:

Management has developed ServiceOttawa CSC specific Cash Handling Policy and Procedures which require the generation of periodic Sales Reports (Tender Reports) from the POS system to monitor the cash levels for completing pickups throughout the day. We reviewed these documents.

We also obtained the Tender Reports run by staff at various times during the day for a few selected dates and confirmed that the Tender reports were being run and pickups were completed per the established procedure.

Recommendation #6

Table 7: Status

Management update	OAG assessment
Complete	Complete

Audit recommendation:

That the City ensure that CSC specific procedures are developed to provide clear direction for counts of large cash payment amounts by a second person as well as ensuring that large transactions (for example - greater than $1,000), are re-counted and verified through an established process with appropriate oversight including:

a. Observe and re-perform the counting of all large cash transactions and the receipt provided to the customer.
b. Immediately place the cash within the safe by performing a cash pickup.

Original management response:

Management agrees with this recommendation. A Client Operations branch-specific Cash Handling Procedure has been developed and was approved by the ServiceOttawa departmental management team on April 27, 2016. This Procedure addresses the requirement for all cash payments in excess of $1,000 to be counted by the cashier performing the transaction and the Banker. The procedure requires the Banker to then complete a cash pickup. The Finance Department is currently completing a final review of the Client Operations Cash Handling Procedure, at which point ServiceOttawa will initiate training and implementation to be completed by Q4 2016.

Management update:

ServiceOttawa approved and implemented a cash handling procedure in October 2016 following a review by Finance (Corporate Services Department). The Procedures-Responsibilities section of that document provides details of each role including adherence to the cash payments of $1,000 or more process.

The Payment Methods: Cash section also provides step-by-step actions on the handling of large cash transactions. The Training section outlines the roles of the Team Leads in terms of training of new ServiceOttawa staff. See Recommendation 2 with respect to

management's review of compliance. To support compliance ServiceOttawa has a robust training program. See Recommendation 1.

OAG assessment:

Management has developed ServiceOttawa CSC specific Cash Handling Policy and Procedures which provide direction for CSC staff members for handling large cash transactions including oversight by a second person verifier.

A continuous improvement (quality assurance) process has been implemented providing CSC management with ongoing information on staff's adherence to the Cash Handling Policies and Procedures.

We reviewed quality assurance reports and supporting documentation for two months to confirm the operation of this ongoing compliance monitoring process. We also reviewed the cash pickup reports for selected dates for two CSCs and confirmed that they were initialed by both the cashier and the banker.

Recommendation #7

Table 8: Status

Management update	OAG assessment
Complete	Complete

Audit recommendation:

That the City consider assigning a lower threshold for cash transactions handled by students or other less experienced staff (for example - $500) within the CSC's policies and/or procedures.

Original management response:

Management agrees with this recommendation. Management has considered assigning a lower threshold for cash transactions handled by students and other less experienced staff. Given the operational impacts associated with lowering the threshold, management believes the complexity of each cash transaction should dictate the level of experience and training that an agent is required to have in order to process such transactions.

Therefore, ServiceOttawa has reduced the level of complexity of transactions that students and less experienced staff are allowed to process, such as split payments and partial payments. This is reflected in the new Client Operations branch-specific Cash Handling Procedure approved by the ServiceOttawa departmental management team on April 27, 2016. The Finance Department is currently completing a final review of the Client Operations Cash Handling Procedure, at which point ServiceOttawa will initiate training and implementation to be completed by Q4 2016.

Through the implementation of this Procedure, ServiceOttawa will implement the following measures to minimize risks associated with students and less experienced staff handling transactions:

- Management has reduced ServiceOttawa's threshold to $1,000 for cash pickups;
- Enhancements have been made to the Client Operations cash handling training and training aids;

- Prior to receiving permission to complete any cash transactions, students and less experienced staff are required to complete the training on cash handling policies and procedures; and
- Less experienced staff are provided with additional on-the-job coaching and support until they are deemed ready to independently handle cash transactions as detailed in the Client Operations Cash Handling Procedure.

Management update:

ServiceOttawa implemented a cash handling procedure in October 2016 following a review by Finance (Corporate Services Department). The Payment Methods: Complex Transactions section of the procedure outlines steps to take with less experienced staff (less than 6 months) and with transactions of a more complex nature (e.g. multiple forms of payment). The threshold to levels of cash has been reduced to $1,000, addressed in the Monitoring Levels of Cash section. The Training section lists the required training to ensure cash handling proficiency. See Recommendation 2 with respect to management's review of compliance. To support compliance ServiceOttawa has a robust training program. See Recommendation 1.

OAG assessment:

Management has developed ServiceOttawa CSC specific Cash Handling Policy and Procedures which require less experienced staff members to obtain assistance when processing higher dollar value or complex transactions.

All new CSC staff members are required to complete an online training course on ServiceOttawa Cash Handling Procedures to assist them in handling cash transactions in accordance with policies and procedures. For assisting less experienced staff, CSC management has developed job aids to provide staff with references about different cash handling procedures.

We obtained the training attendance records for two CSCs and confirmed that staff handling cash received the requisite training. We also reviewed and confirmed that training materials describe the process to be followed in case of complex transactions.

The overall threshold for cash pickups has been reduced from $2,000 to $1,000 for all CSC staff. Given the operational impacts that would be associated with lowering the threshold, and other measures implemented to assist less experienced staff, the revised threshold is reasonable.

During two CSC site visits, we confirmed that job aids had been developed and were posted.

Recommendation #8

Table 9: Status

Management update	OAG assessment
Complete	Complete

Audit recommendation:

That the City ensure that CSC specific policies and/or procedures are developed not only to maintain compliance with the Cash Handling Procedures but to adequately secure all forms of cash and monetary inventory and cash handling supplies at all times. Other improvements would include:

- That knowledge of the combination to the safes and access to the keys to open the safes be limited to specific staff.
- That there be select staff who know strictly the combination and other select staff who have access to the key (and not the combination), thus requiring two different people to open each safe. (For example, the Senior Client Service Agent has access to the key and the banker knows the combination of the safe, thus requiring both of them to open the safe to complete the cash pickup steps together.)
- That keys within the cash room be securely maintained and not accessible to all staff.
- That access to a master log or listing of all keys be limited to specific staff.
- That safes be closed and locked when there is no one within the cash room.
- That deposit books and deposit bags be kept within a locked safe when not in use.

Original management response:

Management agrees with this recommendation. A Client Operations branch-specific Cash Handling Procedure has been developed and was approved by the ServiceOttawa departmental management team on April 27, 2016. Cash, monetary inventory and cash handling supplies are secured through the following practices:

- Each Client Service Centre will be equipped with a lockable key cabinet holder;

- Senior Agents will be the custodian of the Key Cabinet key for their respective centre. Keys will be assigned to staff by the Senior Agent as needed;
- The Coordinator will maintain a master log of all keys kept in the key cabinet for their respective centres. Access to the log will be restricted to Senior Agents, Coordinators and the Manager; and,
- Vault or safe combinations will be limited to the smallest number of individuals practicable, given the business needs of the work unit and, safes and vaults will be closed and locked when there is no one within the cash room.

With regard to having select staff know strictly the combination and other select staff having access to the key (and not the combination), ServiceOttawa will investigate the operational impacts of this process and will prepare a business case for consideration following Finance's Strategic Initiative (Cash Handling Policy and Procedures Review) that is currently underway with a targeted completion date of end of Q1 2017.

The Finance Department is currently completing a final review of the Client Operations Cash Handling Procedure, at which point ServiceOttawa will initiate training and implementation to be completed by Q4 2016.

Management update:

ServiceOttawa implemented a cash handling procedure in October 2016 following a review by Finance (Corporate Services Department). The Procedure: Responsibility section denotes each role including the Key Assignment & Security protocol, Key Inventory and other monetary items stored in safe.

Detailed processes are outlined in the Safeguarding Assets section, which speaks to Securing the Safe, Safeguarding Monetary Inventory, and the Key Assignment and Security Protocol. ServiceOttawa now have safes with keypad access. Each user is assigned a unique passcode to the safe that tracks access. See Recommendation 2 with respect to management's review of compliance.

OAG assessment:

Management has developed ServiceOttawa CSC specific Cash Handling Policy and Procedures which establish processes to secure cash, monetary inventory and cash handling supplies.

A continuous improvement (quality assurance) process has also been implemented to provide management with ongoing oversight over adherence to the cash handling policies and procedures.

We reviewed quality assurance reports and supporting documentation for two months to confirm the operation of this ongoing compliance monitoring process.

We also reviewed training attendance records to confirm that CSC staff have been trained on the ServiceOttawa specific Cash Handling Policies and Procedures.

Recommendation #9

Table 10: Status

Management update	OAG assessment
Complete	Complete

Audit recommendation:

That the City ensure all staff log out of the POS terminal in adherence with the Cash Handling Policy and Procedures before stepping away from their terminal to ensure that their cash drawers are securely closed by the system.

Original management response:

Management agrees with this recommendation. A Client Operations branch-specific Cash Handling Procedure has been developed and was approved by the ServiceOttawa departmental management team on April 27, 2016. The Procedure ensures that adherence to the requirement that all staff log out of the POS terminal is monitored by supervisory staff. Issues of non-compliance will be addressed through the City's performance management or Discipline Policy and Procedures. The Finance Department is currently completing a final review of the Client Operations Cash Handling Procedure, at which point ServiceOttawa will initiate training and implementation to be completed by Q4 2016.

Management update:

ServiceOttawa implemented a cash handling procedure in October 2016 following a review by Finance (Corporate Services Department). The Safeguarding Assets: Point of Sale Equipment section outlines requirements for logging out and what to do when stepping away from terminal.

The POS system automatically locks after inactivity. On-site Team Leads and QA staff regularly monitor compliance through observation. Any issues of non-compliance are addressed immediately with staff.

OAG assessment:

Management has developed a ServiceOttawa CSC specific Cash Handling Policy and Procedures which require all staff log out of the POS terminal before stepping away from their terminal.

We reviewed correspondence from Cash Operations Support Team and confirmed that the POS terminals are programmed to lock out after a period of inactivity.

A continuous improvement (quality assurance) process has also been implemented to provide management with ongoing oversight over this area of cash handling policies and procedures.

We reviewed quality assurance reports and supporting documentation for two months to confirm the operation of this ongoing compliance monitoring process.

In addition, we reviewed training attendance records to confirm that CSC staff were trained on the ServiceOttawa specific Cash Handling Policies and Procedures.

Recommendation #10

Table 11: Status

Management update	OAG assessment
Complete	Complete

Audit recommendation:

That the City ensure the change float is counted daily as part of the daily closing procedures in adherence with Change Float Procedures.

Original management response:

Management agrees with this recommendation. A Client Operations branch-specific Cash Handling Procedure has been developed and was approved by the ServiceOttawa departmental management team on April 27, 2016. The Procedure ensures that adherence to this requirement will be monitored by supervisory staff and issues of non-compliance will be addressed through the City's performance management or Discipline Policy and Procedures. The Finance Department is currently completing a final review of the Client Operations Cash Handling Procedure, at which point ServiceOttawa will initiate training and implementation to be completed by Q4 2016.

Management update:

ServiceOttawa implemented a cash handling procedure in October 2016 following a review by Finance (Corporate Services Department). The Procedure: Responsibility section denotes responsibilities for each role including performing float counts. The Float: Float Count and Extra Float Count sections outline steps to ensure float security and accuracy. See Recommendation 2 with respect to management's review of compliance. To support compliance ServiceOttawa has a robust training program. See Recommendation 1.

OAG assessment:

Management has developed ServiceOttawa CSC specific Cash Handling Policy and Procedures which address daily closing processes including the daily change float count. We reviewed this policy and these procedures and confirmed that it provides instructions about the daily closing procedures, including daily counting of the change float.

We also reviewed the documentation related to daily change float count (now part of the Extra Float Reconciliation Form) for a few selected dates and confirmed that the change float was counted daily and in accordance with these procedures.

A continuous improvement (quality assurance) process has also been implemented to provide management with ongoing oversight over adherence to the cash handling policies and procedures. We reviewed quality assurance reports and supporting documentation for two months to confirm the operation of this ongoing compliance monitoring process.

Recommendation #11

Table 12: Status

Management update	OAG assessment
Complete	Complete

Audit recommendation:

That the City ensure that a Change Float Cash Count Sheet is developed and prepared, documenting the date, the amount of the change float that has been counted, amount of overage or shortage of the change float, signature of the individual who counted and a second person verifier count and signature.

Original management response:

Management agrees with this recommendation. The Finance Department's Change Float Policy and Procedures will be updated to reflect this recommendation by the end of Q3 2016 at which point ServiceOttawa will initiate training and implementation.

Management update:

An update to the corporate Change Float Policy and Change Float Procedures includes a section and an accompanying appendix form under the "Reconciling a Change Float" that ensures that a Change Float Cash Count Sheet is developed and prepared, documenting the date, the amount of the change float that has been counted, amount of overage or shortage of the change float, signature of the individual who counted and a second person verifier count and signature.

ServiceOttawa implemented a cash handling procedure in October 2016 following a review by Finance (Corporate Services Department). The Procedure: Responsibility section denotes responsibilities for each role including ensuring accuracy of float counts. The Float: Extra Float Count section outlines steps to ensure security of cash and verification through a float cash count, which includes the completion of the Extra Float Reconciliation Form, to ensure verification of counts and traceability of money in and out of the extra (change) float. This form is checked twice daily by the Banker and is verified monthly by the Team Lead. See Recommendation 2 with respect to management's review of compliance. To support compliance ServiceOttawa has a robust training program. See Recommendation 1.

OAG assessment:

Management has developed and implemented use of a Change Float Cash Count Sheet, now called 'Extra Float Reconciliation Form', in accordance with City-wide Change Float Policy and Procedures. We reviewed the Extra Float Reconciliation Form and it has fields for the date, the amount of the change float that has been counted, amount of overage or shortage of the change float, signature of the individual who counted and a second person verifier count and signature.

A continuous improvement (quality assurance) process has also been implemented to provide management with ongoing oversight over adherence to this area of cash handling policies and procedures. We reviewed quality assurance reports and supporting documentation for two months to confirm the operation of this ongoing compliance monitoring process.

Recommendation #12

Table 13: Status

Management update	OAG assessment
Complete	Complete

Audit recommendation:

That the City ensure the Change Float Cash Count Sheets are maintained in a secure location and are available for review/audit.

Original management response:

Management agrees with this recommendation. The Finance Department's Change Float Policy and Procedures will be updated to reflect this recommendation by the end of Q3 2016 at which point ServiceOttawa will initiate training and implementation. Within ServiceOttawa, the Change Float Cash Count Sheets will be maintained in the safe and will be filed monthly in accordance with the City's Records Management Policy and Procedures.

Management update:

An update to the Corporate Change Float Policy and Change Float Procedures includes a section and an accompanying appendix form under the "Reconciling a Change Float" that ensures the Change Float Cash Count Sheets are maintained in a secure location and are available for review/audit.

ServiceOttawa implemented a cash handling procedure in October 2016 following a review by Finance (Corporate Services Department). The Procedure: Responsibility section denotes responsibilities for each role including ensuring accuracy of float counts. The Float: Extra Float Count section outlines steps to ensure security of cash and verification through a float cash count, which includes the completion of the Extra Float Reconciliation Form, to ensure verification of counts and traceability of money in and out of the extra (change) float. The form is verified by the Team Lead. See Recommendation 2 with respect to management's review of compliance. To support compliance ServiceOttawa has a robust training program. See Recommendation 1.

OAG assessment:

The Change Float Cash Count Sheets, now called the 'Extra Float Reconciliation Forms', were maintained within the safe and at the two CSC locations that we visited were available for review/audit.

Recommendation #13

Table 14: Status

Management update	OAG assessment
Complete	Complete

Audit recommendation:

That the City ensure a log is maintained within the change float lockbox that logs each change float transaction.

Original management response:

Management agrees with this recommendation. The Finance Department's Change Float Policy and Procedures will be updated to reflect this recommendation by the end of Q3 2016 at which point ServiceOttawa will initiate training and implementation. Within ServiceOttawa, the transaction log will be maintained in the change float lockbox and will be filed monthly in accordance with the City's Records Management Policy and Procedures.

Management update:

An update to the corporate Change Float Policy and Change Float Procedures includes a section and an accompanying appendix form under the "Reconciling a Change Float" that ensures a log is maintained within the change float lockbox that logs each change float transaction.

ServiceOttawa implemented a cash handling procedure in October 2016 following a review by Finance (Corporate Services Department). The Float: Float Counts and Extra Float sections outline the process for maintaining a daily log of transactions (through the reconciliation sheet). Daily logs are kept in the safe with the float. See Recommendation 2 with respect to management's review of compliance. Please see the update provided for Recommendation 1 with respect to staff training.

OAG assessment:

Per City-wide Change Float Procedures, the change float log is part of the Extra Float Reconciliation Form which is used to log each change float transaction. During the two CSC site visits, we observed that these forms were maintained within a Change Float lockbox inside the safe.

A continuous improvement (quality assurance) process has also been implemented to provide management with ongoing oversight over this area of cash handling policies and procedures. We reviewed quality assurance reports and supporting documentation for two months to confirm the operation of this ongoing compliance monitoring process.

Recommendation #14

Table 15: Status

Management update	OAG assessment
Complete	Complete

Audit recommendation:

That the City ensure the log documents the date, the amount of cash placed into the lockbox, the amount of change removed from the lockbox and signature.

Original management response:

Management agrees with this recommendation. The Finance Department's Change Float Policy and Procedures will be updated to reflect this recommendation by the end of Q3 2016 at which point ServiceOttawa will initiate training and implementation.

Management update:

An update to the corporate Change Float Policy and Change Float Procedures includes a section and an accompanying appendix form under the "Reconciling a Change Float" that ensures the log documents the date, the amount of cash placed into the lockbox, the amount of change removed from the lockbox and signature.

ServiceOttawa implemented a cash handling procedure in October 2016 following a review by Finance (Corporate Services Department). The Float: Extra Float section outlines the process for maintaining a daily log of transactions (through the reconciliation sheet). Daily logs are kept in the safe with the float.

Weekly, Team Leads verify amounts in the safe and document findings. Documentation is saved with Float Count paperwork for the day checked. See Recommendation 2 with respect to management's review of compliance. To support compliance ServiceOttawa has a robust training program. See Recommendation 1.

OAG assessment:

Management has developed and implemented a Change Float Cash Count Sheet, called an 'Extra Float Reconciliation Form'. We reviewed the Extra Float Reconciliation Form and it has fields for the date, the amount of cash placed into the lockbox, the amount of change removed from the lockbox and signatures.

We also reviewed quality assurance reports and supporting documentation for two
months to confirm the operation of this ongoing compliance monitoring process.

Recommendation #15

Table 16: Status

Management update	OAG assessment
Complete	Complete

Audit recommendation:

That the City ensure a second person verifier also sign the log to verify the amount of the change float transaction.

Original management response:

Management agrees with this recommendation. The Finance Department's Change Float Policy and Procedures will be updated to reflect this recommendation by the end of Q3 2016 at which point ServiceOttawa will initiate training and implementation.

Management update:

The update to the corporate Change Float Policy and Change Float Procedures includes a section and an accompanying appendix form under the "Reconciling a Change Float" that ensures a second person verifier also signs the log to verify the amount of the change float transaction.

ServiceOttawa implemented a cash handling procedure in October 2016 following a review by Finance (Corporate Services Department). The Float: Extra Float section outlines the process for maintaining a daily log of transactions (through the reconciliation sheet). Daily logs are kept in the safe with the float. See Recommendation 2 with respect to management's review of compliance. To support compliance ServiceOttawa has a robust training program. See Recommendation 1.

OAG assessment:

Management has developed and implemented use of a Change Float Cash Count Sheet (now called 'Extra Float Reconciliation Form'). The Extra Float Reconciliation Form has a field for a second person verifier to also sign the log. At the two CSC locations that we visited, we observed that the forms had been signed by both the cashier and a second person as the verifier.

Recommendation #16

Table 17: Status

Management update	OAG assessment
Complete	Complete

Audit recommendation:

That the City ensure the Change Float Policy and Procedures are updated, or that the CSC develop specific procedures, to reflect these changes.

Original management response:

Management agrees with this recommendation. The Finance Department's Change Float Policy and Procedures will be updated to reflect this recommendation by the end of Q3 2016 at which point ServiceOttawa will initiate training and implementation. Within ServiceOttawa, a Client Operations branch-specific Cash Handling Procedure has been developed and was approved by the ServiceOttawa departmental management team on April 27, 2016. The Procedure addresses the handling of change floats and the exchange of money. The Finance Department is currently completing a final review of the Client Operations Cash Handling Procedure, at which point ServiceOttawa will initiate training and implementation to be completed by Q4 2016.

Management update:

The corporate Change Float Policy and Change Float Procedure updates were finalized. ServiceOttawa implemented a cash handling procedure in October 2016 following a review by Finance (Corporate Services Department). The Float: Extra Float section outlines the process for maintaining a daily log of transactions (through the reconciliation sheet). Daily logs are kept in the safe with the float. See Recommendation 2 with respect to management's review of compliance. To support compliance ServiceOttawa has a robust training program. See Recommendation 1.

OAG assessment:

City-wide Change Float Policy and Procedures were updated in November 2016. ServiceOttawa specific Cash Handling Policy and Procedures were also developed. We reviewed the ServiceOttawa document and confirmed that change float procedures are in accordance with the revised City-wide policy and procedures.

During our two CSC site visits, we also confirmed that the Extra Float Reconciliation
Form was being used.

Recommendation #17

Table 18: Status

Management update	OAG assessment
Complete	Complete

Audit recommendation:

That the City ensure that the CSC and Finance take a risk-based approach to ensuring and monitoring compliance to the Cash Handling Policy and Procedures at the CSC and the potential risk of loss.

Original management response:

Management agrees with this recommendation.

Finance will undertake an assessment on how a risk-based approach can be implemented with existing resources. This will be completed by Q4 2016.

As part of this exercise, staff will undertake a review of the accountabilities and responsibilities of monitoring and compliance within the Cash Handling Policy. This will be completed as part of Finance's Strategic Initiative (Cash Handling Policy and Procedures Review) that is currently underway with a targeted completion date of Q1 2017.

Within ServiceOttawa, a Client Operations branch-specific Cash Handling Procedure has been developed and was approved by the ServiceOttawa departmental management team on April 27, 2016. The Procedure ensures that Coordinators' duties include monitoring compliance with the City's Cash Handling Policy and Procedures and risk mitigation. The Finance Department is currently completing a final review of the Client Operations Cash Handling Procedure, at which point ServiceOttawa will initiate training and implementation to be completed by Q4 2016.

ServiceOttawa's Quality Assurance and Continuous Improvement branch will monitor cash handling practices within the monthly quality assurance report. This monthly report is provided to Client Operations Branch management, the Manager of Quality Assurance and Continuous Improvement and the Director of ServiceOttawa. This report will assist management in tracking frontline staff compliance with the City's and ServiceOttawa's policies and procedures.

Management update:

ServiceOttawa has developed a policy addressing every recommendation provided by
the auditor:

- Trained all Counter Services staff and require staff to complete mandatory
  refresher training annually;
- Implemented compensating controls such as high-resolution cameras and
  auditable safes to identify non-compliance issues;
- Implemented a formal QA review process based on randomly selected aspects of
  the policy each month, and;
- Implemented a regular review process by Counter Services management as a
  standing item on their meeting agendas.

The Policy, Process and Review (PPR) branch within Corporate Services Business
Support Services conducts reviews of cash handling at Client Service Centres. PPR
reviews risk with management of the Collections and Cash Handling (CCH) branch of
Revenue Services. In determining which sites to visit, PPR and CCH assess the
operating environment and consider several risk factors such as any previously reported
incidents at the site, the number and value of errors, staff turnover at the site, the total
amount of revenue generated at the site, and the length of time that the site has been
operating.

OAG assessment:

Annual risk reviews of cash handling at the CSCs are performed by the Policy, Process
and Review (PPR) Branch within the Corporate Services Business Support Services
Team. We reviewed supporting documentation for the years 2016, 2017 and 2018 to
confirm that these compliance reviews were performed by the PPR Branch. We
consider these reviews to be a risk-based approach to ensuring and monitoring
compliance with the Cash Handling Policy and Procedures.

In addition, a continuous improvement (quality assurance) process has been
implemented to provide management with an additional mechanism to monitor CSC's
compliance with the Cash Handling Policy and Procedures. We reviewed quality
assurance reports and supporting documentation for two months to confirm the
operation of this ongoing compliance monitoring process.

Recommendation #18

Table 19: Status

Management update	OAG assessment
Complete	Complete

Audit recommendation:

That the City ensure that for authorized exceptions to the Cash Handling Policies and Procedures, there is a process with appropriately approved documentation to ensure that existing and new CSC staff have consistent, up-to-date reference and/or procedures.

Original management response:

Management agrees with this recommendation. The process for requesting and authorizing exceptions is currently referenced in the Segregation of Duties section of the City's Cash Handling Policy. For greater clarity, Finance will revise the policy to create a section for the Exceptions Process as it applies to more than segregation of duties. This change will be made as part of Finance's Strategic Initiative (Cash Handling Policy and Procedures Review) that is currently underway with a targeted completion date of end of Q1 2017.

Management update:

ServiceOttawa implemented a cash handling procedure in October 2016 following a review by Finance (Corporate Services Department). The new procedure aligns with the updated corporate policy and outlines this requirement in the Segregation of Duties section. To support compliance ServiceOttawa has a robust training program. See Recommendation 1.

OAG assessment:

Management has developed a ServiceOttawa CSC specific Cash Handling Policy and Procedures which establish a consistent and documented process for handling exceptions.

Management has also developed job aids to provide staff with references about the appropriate handling of exceptions. At the two CSC locations that we visited, we found that these job aids were up-to-date and posted.

Additionally, our review of training records confirmed that all CSC staff had received the requisite training.

Recommendation #19

Table 20: Status

Management update	OAG assessment
Complete	Complete

Audit recommendation:

That the City ensure the Laurier CSC utilizes a daily cash count sheet (or other similar control activity) which records details of the cash count, daily transactions, reconciliation and deposit information and develop CSC specific policies and/or procedures to reflect this change.

Original management response:

Management agrees with this recommendation. A Client Operations branch-specific Cash Handling Procedure has been developed and was approved by the ServiceOttawa departmental management team on April 27, 2016. The Finance Department is currently completing a final review of the Client Operations Cash Handling Procedure, at which point ServiceOttawa will initiate training and implementation to be completed by Q4 2016. The Procedure outlines an improved process and documentation for the chain of custody for cash, the implementation of cash pickup slip assignments and provides additional cash handling controls as per Recommendation 4.

The details of the cash count, daily transactions, reconciliation and deposit information are tracked at the Laurier CSC on the ITB system-generated reports (Register Closing Report and Cash Pickup Report) Daily Sales Activity Summary and the bank deposit slip. The Register Closing Report lists the names of all employees who used the cash, the date, POS terminal number, number and type of transactions completed, any void transactions, number of cash pickups performed during the day, and the amount and breakdown of the final cash pickup. The deposit slip documents the physical count of the cash and cheques received which are then compared to the Register Closing Report to reconcile the deposit. Transcribing information from these source documents to a separate record introduces additional reconciliation processes and potential for error not previously present.

The Register Closing and Cash Pickup reports are maintained electronically in the ITB Manager system and can be retrieved in hard copy at any time. They will also be physically stored along with a hard copy of the deposit slip, in a secure location within the reconciliation room to ensure that the details of the cash count, daily transactions, reconciliation and deposit information are maintained in one place.

Management update:

A variety of reports are generated through our systems (ITB, Presto and CLASS) recording multiple details including cash count, daily transactions, reconciliation and deposit information. There are detailed employee processes governing the generation of these reports, as outlined in the Cash Handling Task Checklist section. These reports are stored electronically and in hardcopy on-site.

Furthermore, the Deposits: On-site Deposit Paperwork section calls for staff to maintain physical copies of various documents. This specific set of paperwork ultimately captures an entire business day's cash handling activity. The below documentation is kept on-site for a period of one calendar year:

- Deposit Slips
- Float Counts
- Extra Float Counts
- Tender Reports
- Pickup Slips
- PCI Inventory Log

OAG assessment:

Management has developed ServiceOttawa CSC specific Cash Handling Policy and Procedures which establish a process for performing cash counts utilizing POS Shift close reports and the Electronic Float Count Sheets. During two CSC site visits, we obtained copies of these reports and count sheets and confirmed that they were used to record details of the cash count, daily transactions, reconciliation and deposit information.

A continuous improvement (quality assurance) process has also been implemented to provide management with ongoing oversight over adherence to the cash handling policies and procedures. We reviewed quality assurance reports and supporting

documentation for two months to confirm the ongoing compliance monitoring of this process.

Recommendation #20

Management update	OAG assessment
Complete	Complete

Audit recommendation:

That the City ensure staff are provided with a designated area at which to keep personal items that is separated from cash handling areas and that Cash Handling Procedures are updated to reflect this change.

Original management response:

Management agrees with this recommendation. The City's Cash Handling Policy and Procedures will be revised to include a General Direction requiring that personal items be kept separate from the cash handling area. This change will be made as part of Finance's Strategic Initiative (Cash Handling Policy and Procedures Review) that is currently underway with a targeted completion date of end of Q1 2017.

Within ServiceOttawa, a Client Operations branch-specific Cash Handling Procedure has been developed and was approved by the ServiceOttawa departmental management team on April 27, 2016. The Procedure addresses designated areas for staff to keep personal belongings. The Finance Department is currently completing a final review of the Client Operations Cash Handling Procedure, at which point ServiceOttawa will initiate training and implementation to be completed by Q4 2016.

Management update:

ServiceOttawa implemented a cash handling procedure in October 2016 following a review by Finance (Corporate Services Department). The new procedure aligns with the updated corporate policy and outlines this requirement in the Personal Belongings section. See Recommendation 2 with respect to management's review of compliance. To support compliance ServiceOttawa has a robust training program. See Recommendation 1.

OAG assessment:

Management has developed ServiceOttawa CSC specific Cash Handling Policy and Procedures which require keeping personal belongings separate from the cash handling areas. At the two CSCs we visited, we observed that personal belongings of staff were not being kept near the Cash handling area.

A continuous improvement (quality assurance) process has also been implemented to provide management with ongoing oversight over adherence to the cash handling policies and procedures. We reviewed quality assurance reports and supporting documentation for two months to confirm the ongoing compliance monitoring of this requirement.

Recommendation #21

Table 22: Status

Management update	OAG assessment
Complete	Complete

Audit recommendation:

That the City investigate the possibility that the cash drawer not be opened for transactions that do not require cash to be exchanged, such as for debit or credit card transactions and for certain no sale transactions; investigate the possibility that invoices, receipts and cheques be placed through the access slot available on the cash drawer; and, ensure that either Cash Handling Procedures or CSC-specific procedures are updated to reflect these changes, if required.

Original management response:

Management agrees with this recommendation. Finance has begun to investigate the technical feasibility and impact on business processes of these changes since the cash register technology used at the Laurier CSC is also used at other cash handling sites. Any required changes will be implemented as part of Finance's Strategic Initiative (Cash Handling Policy and Procedures Review) that is currently underway with a targeted completion date of end of Q1 2017.

Management update:

The POS system can accommodate programming to open the cash drawers for cash and cash like (cheque) transactions.

Programming the current POS system to ensure that the cash drawer opens for only cash and cheque transactions will be implemented by the end of Q2 2019. Collections and Cash Handling Branch will consult with cash handling sites to effectively implement this change. In addition, ServiceOttawa has implemented security measures and controls, such as the installation of high-resolution security cameras and count verification, to mitigate the risk of cash shortages.

OAG assessment:

Management investigated the possibility that the cash drawer not be opened for transactions that do not require cash to be exchanged. They found that this would require a configuration change to 68 POS terminals at 53 cash handling sites city-wide. We reviewed the supporting documentation for this work.

Management informed us that the POS systems were reprogrammed in June 2019 after our follow-up testing. As a result, they indicate that cash drawers now only open for cash and cheque transactions and that no change was required to either the City-wide Cash Handling Procedures or the ServiceOttawa CSC specific procedures as a result of this change.

Recommendation #22

Table 23: Status

Management update	OAG assessment
Complete	Complete

Audit recommendation:

That the City investigate the possibility that each staff have a cash drawer assigned to them each day and staff are only permitted to conduct transactions with their assigned cash drawer; and investigate the possibility that if the staff is required to move to a new POS terminal, their cash drawer is moved along with them.

Original management response:

Management agrees with this recommendation. Client Operations has implemented the practice at the Laurier CSC that cashiers are only permitted to conduct transactions with their daily assigned float and cash register which cannot be shared. This recommendation has been implemented.

Management update:

ServiceOttawa implemented a cash handling procedure in October 2016 following a review by Finance (Corporate Services Department). The Procedure: Responsibilities section requires staff to utilize only assigned registers and floats.

Additionally, ServiceOttawa (with the support of the Collections & Cash Handling Branch) has implemented a system with new technology that uses a dual-drawer system that provides a unique log-in for each user, which prevents users from accessing drawers other than the one they are signed into.

OAG assessment:

A process has been implemented at the CSCs whereby each staff member has a cash drawer assigned to them each day. Staff are only permitted to conduct transactions with their assigned cash drawer.

Use of a dual-drawer system has also been implemented that provides a unique log-in for each user, which prevents users from accessing drawers other than the one they are

signed into. To allow for unexpected situations, the system does allow a third user to log into the POS, but without access to either cash drawer.

We reviewed the terminal assignments for two CSCs and confirmed that each staff member has a cash drawer assigned to them each day. During a site visit to one of the CSCs, we observed the dual-drawer system functionality.

Recommendation #23

Table 24: Status

Management update	OAG assessment
Complete	Complete

Audit recommendation:

That the City ensure Corporate Security and the Laurier CSC reassess the location and viewpoint of the existing security cameras to determine if there is better placement to obtain unobstructed views of the Client Service Agents and customers while they interact during transactions.

Original management response:

Management agrees with this recommendation. ServiceOttawa and Corporate Security will complete the assessment and a report will be provided to ServiceOttawa by the end of Q3 2016 so that appropriate budget pressures, if any, can be identified for the 2017 budget cycle to address any deficiencies.

Management update:

ServiceOttawa and Corporate Security have completed the assessment of the security camera locations at the Laurier CSC. ServiceOttawa has completed updates to both the quality and location of cameras in cash handling areas at the counters. In addition, ServiceOttawa has upgraded camera quality, quantity and locations at all Client Service Centres and Provincial Offences Act (POA) offices.

As noted in the Quality Assurance Monitoring Program (Departmental Policy), Cash Handling section, each month QA reviews camera screenshots.

Issues are brought to management for immediate resolution.

OAG assessment:

CSC Management and Corporate Security have reviewed and adjusted the location and viewpoint of a number of CSC security cameras to obtain better unobstructed views of the cash handling areas. Corporate Security also upgraded camera quality and quantity at the CSCs.

We reviewed a sample of camera screenshots from the two CSCs that we visited and confirmed that the pictures were clear and provided unobstructed views of areas where Client Service Agents interact with customers during transactions.

In addition, camera "health check" reports are reviewed each month as part of ServiceOttawa's continuous improvement (quality assurance) process. This review provides ongoing oversight and monitoring of camera views. We reviewed supporting documentation for two months to confirm management's review of the camera reports as part of its monthly quality assurance process.

Recommendation #24

Table 25: Status

Management update	OAG assessment
Complete	Complete

Audit recommendation:

That the City ensure Corporate Security and the Laurier CSC reassess the location and viewpoint of the existing security cameras to determine if there is better placement to obtain unobstructed views of any cash handling procedures in the cash room.

Original management response:

Management agrees with this recommendation. ServiceOttawa and Corporate Security will complete the assessment and a report will be provided to ServiceOttawa by the end of Q3 2016 so that appropriate budget pressures, if any, can be identified for the 2017 budget cycle to address any deficiencies.

Management update:

ServiceOttawa and Corporate Security have completed the assessment of the security camera locations. ServiceOttawa has completed updates to both the quality and location of cameras in cash handling areas in the reconciliation rooms. In addition, ServiceOttawa has upgraded the quality and locations at all urban centres.

As noted in the Quality Assurance Monitoring Program (Departmental Policy), Cash Handling section, each month QA reviews camera screenshots.

Issues are brought to management for immediate resolution.

OAG assessment:

CSC management and Corporate Security have reviewed and adjusted the location and viewpoint of a number of CSC security cameras to obtain better unobstructed views of the cash handling areas in the cash rooms.

Corporate Security also upgraded camera quality and quantity at the CSCs. We reviewed a sample of camera screenshots from the two CSCs that we visited and confirmed that the pictures were clear and provided unobstructed views of cash handling areas in the cash rooms.

In addition, camera "health check" reports are reviewed each month as part of ServiceOttawa's continuous improvement (quality assurance) process. This review provides ongoing oversight and monitoring of camera views. We reviewed supporting documentation for two months to confirm management's review of the camera reports as part of its monthly quality assurance process.

Recommendation #25

Table 26: Status

Management update	OAG assessment
Complete	Complete

Audit recommendation:

That the City ensure all cameras are regularly checked to ensure they are functional and recording as required.

Original management response:

Management agrees with this recommendation. At the time of this audit, cameras in the Client Service Centre were not checked on a regular basis to ensure they were functional and recording. In the fall of 2015, Corporate Security upgraded the closed-circuit television (CCTV) system infrastructure at City Hall, which included the Client Service Centre. This upgrade included automated 24/7 health monitoring of all connected cameras and recording devices. Should the functionality of any camera or recorder fail, an automated message is now transmitted to the Corporate Security Systems Team and a service call is generated to ensure the equipment is serviced and/or replaced within a very short timeframe. Management considers this recommendation complete.

Management update:

All networked CCTV sites have been programmed to provide an automated notification should video loss be detected from any camera. Notifications (system health checks) are regularly analyzed by SEM Systems Specialists. A service call is placed to investigate any loss of video. Additionally, health monitoring of camera functionality is performed by Corporate Security.

As noted in the Quality Assurance Monitoring Program (Departmental Policy), Cash Handling section, each month QA reviews camera screenshots.

Any noted issues are brought to management for immediate resolution.

OAG assessment:

Camera "health check" reports are reviewed each month as part of ServiceOttawa's continuous improvement (quality assurance) process. This review provides ongoing oversight and monitoring of camera views. We reviewed supporting documentation for two months to confirm management's review of the camera reports as part of its monthly quality assurance process.

Recommendation #26

Table 27: Status

Management update	OAG assessment
Complete	Complete

Audit recommendation:

That the City develop a CSC-specific policy and/or procedure to require Client Service Agents to disclose any non-arm's length or other such type relationships, if the Client Service Agent personally knows the customer so that another Client Service Agent may perform the transaction.

Original management response:

Management agrees with this recommendation.

The City's Cash Handling Policy currently refers to the Code of Conduct, however a specific reference to the requirement to disclose any non-arm's length or other such type relationships between all City staff involved in cash handling and clients will be added. This change will be made as part of Finance's Strategic Initiative (Cash Handling Policy and Procedures Review) that is currently underway with a targeted completion date of end of Q1 2017.

ServiceOttawa currently provides Cash Handling Procedure and Code of Conduct training to new staff and, annual refresher training to existing staff. Once the Corporate Cash Handling Policy and Procedure review is complete, ServiceOttawa will ensure that the Client Operations Cash Handling Procedure is in alignment with the Corporate Policy and Procedure as it relates to arms-length relationships by Q1 2017.

Management update:

ServiceOttawa implemented a cash handling procedure in October 2016 following a review by Finance (Corporate Services Department. The new procedure outlines this requirement in the Conflict of Interest section.

To support compliance ServiceOttawa has a robust training program. See Recommendation 1.

OAG assessment:

Management has developed ServiceOttawa CSC specific Cash Handling Policy and Procedures which require all agents to be free of conflict of interest. The procedure document also states that if processing a transaction could potentially create a conflict of interest, employees are to disclose the potential conflict to their Team Lead, or designate, and defer the processing of transaction to another staff member.

We obtained supporting correspondence and confirmed that the policy and procedures were circulated to all CSC staff along with instructions for adherence.

We also reviewed training attendance records to confirm that CSC staff had been trained on the ServiceOttawa specific Cash Handling Policies and Procedures.

Table 28: Status legend

Status	Definition
Not started	No significant progress has been made. Generating informal plans is regarded as insignificant progress.
Partially complete	The City has begun implementation; however, it is not yet complete.
Complete	Action is complete, and/or structures and processes are operating as intended and implemented fully in all intended areas of the City.
No longer applicable	The recommendation is obsolete due to time lapses, new policies, etc.