



Office of the Auditor General / Bureau du vérificateur général

AUDIT OF THE OTTAWA MUNICIPAL CAMPGROUND

(2010)

VÉRIFICATION DU TERRAIN DE CAMPING MUNICIPAL

D'OTTAWA

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EXECUTIVE SUMMARY

Introduction

The Audit of the Ottawa Municipal Campground was included in the 2010 Audit Plan of the Office of the Auditor General, first presented to Council in November 2009 as part of the 2008 Annual Report.

Background

The Ottawa Municipal Campground (OMC or the Campground) has been in operation since 1967. The Campground is located at 411 Corkstown Road on land leased from the National Capital Commission at an annual rent of \$1.00. The initial 40 year lease ended in 2007; after a two year extension the lease was renewed for a five year term effective November 1, 2009.

The Campground offers approximately 175 tent and trailer sites. Its mission is to “provide out-of-town visitors with affordable family camping facilities, in a natural setting, and with easy access to Ottawa’s city and valley attractions.” To ensure the Campground achieves this mandate, attendance is tracked monthly by the categories; Ontario, Quebec, Ottawa/Gatineau, Maritimes, Western Canada, US and International and is reported to the Authority at the end of the season.

In 2009, operating expenditures totalled \$311,900 with revenues of \$333,600; resulting in a surplus of \$21,700. Surpluses are kept by the City in a special account to offset any deficit or fund future capital improvements or equipment. The special account totalled approximately \$490,500 as at December 31, 2009.

The Campground reports to the Ottawa Municipal Campground Authority (the Authority) which is composed of five board members; four Council-appointed volunteers and a City Councillor. The Authority is responsible for overseeing the operations of the Campground through the Park Manager. All paid staff positions, including the Park Manager position, are seasonal.

In 2009, the Campground upgraded to enable patrons to have wireless Internet access from the main office/store; and, in September 2010, it was investigating the opportunity of upgrading the washroom in the main building and making it disability accessible.

Scope, Objectives and Criteria

The audit did not include a full review of the operations of the Ottawa Municipal Campground. Rather, the audit examined the facility’s activities and transactions related to 2009 onward against the following objectives and criteria:

Audit objective/criteria 1:

To assess if:

- The facility's policies and procedures are effective and efficient;
- Assets and thereby the interests of the City of Ottawa are safeguarded; and,
- The facility is compliant with its governing policies and procedures.

Audit objective/criteria 2:

To assess the extent to which:

- The facility's program(s) are being administered with due regard to economy, efficiency and effectiveness; and,
- Accountability is being served.

Audit objective/criteria 3:

To assess if the facility offers services to the public in both official languages.

Summary of Key Findings

Key findings arising from this audit include:

1. Various aspects of the City's Cash Handling and Petty Cash Funds and Change Floats policies and procedures are not being followed;
2. There is no inventory of store goods;
3. OMC is contradicting a directive of the Campsite Authority by providing "rain checks". Liabilities are not set up to capture those rain checks;
4. French services/ documentation are not equivalent to English services; and,
5. The governance and reporting structure of the Campground should be reviewed as part of the Clerk's mid-term governance review and include the potential for incorporating the Campground directly into the Parks, Recreation and Culture Department.

Recommendations and City Management and OCM Responses**Recommendation 1**

That the Campground Authority ensure that the City's Petty Cash Funds and Change Floats policy and procedure are followed to ensure the control and safekeeping of petty cash funds and floats, including custodian responsibilities, suitable lock-box, keys or combinations.

OMC/City Management Response

The OMC agrees with this recommendation.

Effective June 2011, staff are following the City's policy and procedures for Petty Cash Funds and Change Floats.

Recommendation 2

That the Campsite promptly report and record, in accordance with the City's cash handling policies and procedures, all overages, shortages, losses and theft.

OMC/City Management Response

The OMC agrees with this recommendation.

Staff were trained effective June 2011 and are now following the City's cash handling policy and procedures.

Recommendation 3

That Finance Department question any areas that consistently do not report overage and/or underage.

OMC/City Management Response

Management agrees with this recommendation.

The cash over/under account will be monitored regularly by Cash Accounting to determine which sites are not reporting any cash discrepancies in their deposits. The investigative mechanism can be set up by the end of Q3 2011, however follow-up may not be possible until operations commence again in 2012 when the campsite is operational.

Recommendation 4

That the Campground, in conjunction with the Finance Department, review and revise its reservation of campsite policies.

OMC/City Management Response

Management and the OMC agree with this recommendation.

Finance management have provided support and advice to the Campground that is consistent with the City's Cash Handling Policy and Procedures to implement a reservation policy that includes usage of a PCI compliant tool. The Campground has recently approved the reservation policy. No further action is required.

Recommendation 5

That the Campground set up an inventory system for store goods.

OMC/City Management Response

The OMC agrees with this recommendation.

An inventory system has been implemented for firewood. A system is currently under review for the store and will be implemented by Q2 2012.

Recommendation 6

That the City Clerk and Solicitor department confirm if an employer/employee relationship exists and take appropriate action.

OMC/City Management Response

Management agrees with this recommendation.

Labour Relations staff will conduct an assessment to determine whether an employee/employer relationship exists at law. If one is found, staff will take whatever actions are required to address the situation, including notification to the Canada Revenue Agency. This recommendation is expected to be complete in Q3 2011.

Recommendation 7

That, as part of the mid-term governance review carried out by the Clerk's office, a review of the current agreement with the Campground be undertaken to determine if there is a need for further changes to the governance structure, including incorporating it into the Parks, Recreation and Culture Department as a program delivered directly by the City.

OMC/City Management Response

Management agrees with this recommendation.

The Ottawa Municipal Campground Authority was identified as being a local board in a report that the City Clerk and Solicitor presented to City Council in 2007. The report was entitled "Bill 130 - A Review of Ottawa's Agencies, Boards and Commissions". It defined "local board" and provided a list of entities associated with the City of Ottawa that fall into the category of "local board". This report set out changes to the *Municipal Act, 2001*, including the requirement that local boards have a procedure by-law, as well as "adopt and maintain" policies with respect to: sale and other disposition of land; hiring of employees; and, procurement of goods and services.

As part of its mid-term governance review, the City Clerk in consultation with Parks, Recreation and Cultural Services, will review the current agreement with the Campground with a view to determining a need for further changes to the governance structure by Q4 2012.

Recommendation 8

That OMC develop a formal policy regarding rain checks and refunds.

OMC/City Management Response

The OMC agrees with this recommendation.

Offering rain checks is a recognized and acceptable business practice within the service industry. A formal policy will be developed by Q4 2011.

Recommendation 9

That ITS work with OMC to review the Campground's need and establish if an on-line reservation system could be put in place; what, if any, hardware upgrades would be required and the potential benefits of implementation.

OMC/City Management Response

Management agrees with this recommendation.

ITS and Parks, Recreation and Cultural Services will work with OMC to review the Campground's need and analyse the feasibility, costs, and potential benefits of implementation of an on-line reservation system through the annual business intake process by Q4 2012.

In addition, ITS also provided cost estimates to the Campground Authority Board on June 20, 2011 for establishing network connectivity at the campground. Approval was received and the hardware has already been ordered.

Recommendation 10

That, in an effort to restore its commitment to bilingualism, the Campground Authority have all documentation reviewed and corrected and that they ensure that satisfactory French services are available, at all times, at the reception office.

OMC/City Management Response

The OMC agrees with this recommendation.

The OMCA will make their best effort to comply with this recommendation; and preference will be given to bilingual candidates applying for positions in the reception office at the campground.

Conclusion

This audit observed a strong commitment and a demonstrated desire on the part of the 2010 Campground employees with regard to bettering the Ottawa Municipal Campground, whether through facility improvements such as Internet wireless access, and/or making the facility disability accessible while providing the best possible camping experience to its patrons.

Operationally, financial controls need to be strengthened to ensure OMC meet and are consistent with City of Ottawa policies and procedures. This audit identified lapse in oversight and support relating to financial management and information technology.

The City needs to focus its attention on clearly defining an outside facility's role versus its own therefore ensuring an appropriate level of oversight in all aspects of operations.

Acknowledgement

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

RÉSUMÉ

Introduction

La vérification du Terrain de camping municipal d'Ottawa a été intégrée au Plan 2010 de vérification du Bureau du vérificateur général, qui a d'abord été présenté au Conseil en novembre 2009 comme étant une partie intégrante du rapport annuel 2008.

Contexte

Le Terrain de camping municipal d'Ottawa (TCMO ou le Terrain de camping) est ouvert depuis 1967. Le Terrain de camping est situé au 411, chemin Corkstown sur des terrains que la Commission de la capitale nationale lui loue 1 00 \$ par année. Le bail initial, de 40 ans, s'est terminé en 2007 : il a été prolongé pour une période de deux ans, puis il a été renouvelé le 1^{er} novembre 2009 pour une période de cinq ans.

La capacité d'accueil du Terrain de camping est d'environ 175 sites pour les tentes et les roulottes. Le Terrain de camping a pour mission de « fournir aux visiteurs de l'extérieur de la Ville un lieu de camping familial abordable dans un environnement naturel situé tout près de la Ville d'Ottawa et des attraits de la vallée de l'Outaouais ». Pour que le Terrain de camping remplisse ce mandat, on contrôle l'occupation mensuellement en fonction des catégories : Ontario, Québec, Ottawa/Gatineau, les Maritimes, l'Ouest canadien, les É-U. et l'international, et on transmet l'information au Conseil de gestion à la fin de la saison.

En 2009, les dépenses d'exploitation s'élevaient à 311 900 \$ pour des revenus de 333 600 \$, dégageant ainsi un surplus de 21 700 \$. La Ville conserve les surplus dans un compte spécial qui sert à compenser tout déficit ou à financer des améliorations majeures ou de l'équipement. Le solde du compte spécial était d'environ 490 500 \$ au 31 décembre 2009.

Le Terrain de camping est sous l'autorité du Conseil de gestion du Terrain de camping municipal d'Ottawa (le Conseil de gestion); celui-ci est composé de cinq membres : quatre bénévoles désignés par le Conseil municipal et un conseiller municipal. Le Conseil de gestion a la responsabilité de surveiller le fonctionnement du Terrain de camping par l'intermédiaire du gestionnaire du parc. Tous les postes sont saisonniers et rémunérés, y compris le poste de gestionnaire du parc.

En 2009, le Terrain de camping a modernisé ses installations pour que les campeurs aient accès au réseau Internet sans fil, qui est disponible dans le bureau principal/magasin. En septembre 2010, le Terrain de camping étudiait la possibilité de rénover les salles de bains du bâtiment principal et de les aménager pour les personnes handicapées.

Portée, objectifs et critères

La vérification ne comprenait pas une analyse complète du fonctionnement du Terrain de camping municipal d'Ottawa. Par contre, l'analyse portait sur les installations, les activités et les transactions qui y étaient reliées à partir de 2009, en fonction des objectifs et des critères suivants :

1^{er} objectif/critère de vérification : évaluer si

- Les politiques et procédures sont efficaces et ont un bon rendement;
- Les biens de la Ville d'Ottawa et donc, ses intérêts, sont protégés;
- Le Terrain de camping est conforme à ses politiques et procédures de gouvernance.

2^e objectif/critère de vérification : analyser jusqu'à quel point

- Les programmes du Terrain de camping sont gérés avec un souci d'économie, d'efficacité et de rendement;
- La responsabilisation est valorisée.

3^e objectif/critère de vérification : évaluer si le Terrain de camping offre des services au public dans les deux langues officielles.

Résumé des principales constatations

Les principales constatations mises en lumière par cette vérification sont :

1. Différents aspects liés à la politique et aux procédures de la Ville sur les manipulations d'argent et des fonds de la petite caisse et de la monnaie d'appoint ne sont pas respectés.
2. Il n'y a aucun inventaire des biens en magasin.
3. Le TMCO contrevient à la directive du Conseil de gestion en émettant des « bons différés ». Les installations pour le paiement ne sont pas configurées pour le traitement de ces bons différés.
4. La documentation et les services offerts en français ne sont pas aussi nombreux que les services offerts en anglais.
5. La structure de gouvernance et de comptes rendus du Terrain de camping devrait être révisée dans le cadre de l'examen de mi-mandat sur la gouvernance de mis en œuvre par le Bureau du greffier et la possibilité d'incorporer directement le Terrain de camping au Service des parcs, des loisirs et de la culture devrait être envisagée.

Recommandations et réponses de la direction de la Ville et du TCMO

Recommandation 1

Que le Conseil de gestion du Terrain de camping veille à ce que la politique et les procédures de la Ville liées aux petites caisses et à la monnaie d'appoint soient appliquées en vue d'assurer le contrôle et la protection des fonds de petites caisses et de monnaie d'appoint, y compris des responsabilités du gardien, des boîtes verrouillées, des clés ou des combinaisons.

Réponse du TCMO/de la direction de la Ville

Le TCMO est d'accord avec cette recommandation.

Depuis juin 2011, les employés mettent en application les politiques et procédures de la Ville liées aux petites caisses et à la monnaie d'appoint.

Recommandation 2

Que le Terrain de camping, en conformité avec la politique et les procédures de la Ville sur les manipulations d'argent, déclare et enregistre immédiatement tout surplus, déficit, vol ou toute perte.

Réponse du TCMO/de la direction de la Ville

Le TCMO est d'accord avec cette recommandation.

Les employés ont suivi une formation en juin 2011 et depuis, suivent la politique et les procédures de la Ville sur les manipulations d'argent.

Recommandation 3

Que le Service des finances pose des questions aux personnes qui, systématiquement, ne déclarent ni surplus ni déficits de caisse dans leur secteur.

Réponse du TCMO/de la direction de la Ville

La direction est d'accord avec cette recommandation.

Le compte des surplus/déficits de caisse fera l'objet d'une vérification régulière menée par le service de la comptabilité de caisse dans le but de faire ressortir quels sont les secteurs qui ne déclarent pas les écarts de caisse dans leurs dépôts. On peut mettre en place le mécanisme de vérification d'ici la fin du T3 de 2011, toutefois, il sera possible d'en faire le suivi seulement au début de la saison 2012, lorsque le Terrain de camping sera pleinement opérationnel.

Recommandation 4

Que le Terrain de camping, en collaboration avec le Service des finances, revoit et révisé sa politique de réservation des emplacements de camping.

Réponse du TCMO/de la direction de la Ville

La direction et le TCMO sont d'accord avec cette recommandation.

Le Service des finances a apporté son soutien et ses conseils au Terrain de camping qui sont conformes à la politique et aux procédures sur la manipulation de l'argent de la Ville, afin de mettre en œuvre une politique de réservation qui fait usage d'un dispositif conforme aux normes de l'industrie des cartes de paiement (PCI). Récemment, le Terrain de camping a approuvé la politique de réservation. Aucune autre mesure n'est requise.

Recommandation 5

Que le Terrain de camping mette sur pied un système d'inventaire des biens en magasin.

Réponse du TCMO/de la direction de la Ville

Le TCMO est d'accord avec cette recommandation.

On a instauré un système d'inventaire pour le bois de chauffage. Un système est actuellement à l'étude pour le magasin et sera instauré d'ici le T2 de 2012.

Recommandation 6

Que le Bureau du greffier municipal et chef du contentieux confirme s'il existe ou non une relation employeur/employé et qu'il agisse en conséquence.

Réponse du TCMO/de la direction de la Ville

La direction est d'accord avec cette recommandation.

Les employés du Service des relations de travail mèneront une enquête afin de déterminer s'il existe une relation employeur/employé au sens de la loi. Si une telle relation existe, le personnel prendra les mesures qui s'imposent pour régulariser la situation, notamment aviser l'Agence du revenu du Canada. L'objet de cette recommandation devrait être en place au T3 de 2011.

Recommandation 7

Que, dans le cadre de l'examen de mi-mandat sur la gouvernance mis en œuvre par le Bureau du greffier municipal, une analyse de la entente actuelle avec le Terrain de camping soit effectuée afin de déterminer s'il est nécessaire ou non de faire d'autres changements à la structure de gouvernance, y compris son intégration au Service des parcs, des loisirs et de la culture en tant que service offert directement par la Ville.

Réponse du TCMO/de la direction de la Ville

La direction est d'accord avec cette recommandation.

Dans un rapport intitulé « Projet de loi 130 - Examen des services, des conseils, des comités et des commissions d'Ottawa » que le Bureau du greffier municipal et chef du contentieux a présenté au Conseil municipal en 2007, on a identifié le Conseil de gestion du Terrain de camping municipal d'Ottawa comme étant un conseil local. Ce rapport donnait la définition de « conseil local » et dressait une liste d'entités associées à la Ville d'Ottawa et qui se trouvent dans la catégorie de « conseil local ». Ce rapport prévoit des modifications à la Loi de 2001 sur les municipalités, y compris l'obligation pour les conseils locaux d'avoir des règlements liés aux procédures, ainsi que « d'adopter et de mettre en œuvre » des politiques eu égard à la disposition de terrains, notamment par la vente, à l'embauche des employés et à l'approvisionnement en biens et services.

Dans le cadre de son examen de mi-mandat sur la gouvernance, le greffier municipal en consultation avec le Service des parcs, des loisirs et de la culture, révisera l'entente actuelle avec le Terrain de camping en vue d'autres changements éventuels à la structure de gouvernance d'ici le T4 de 2012.

Recommandation 8

Que le TCMO rédige une politique formelle relativement aux bons différés et aux remboursements.

Réponse du TCMO/de la direction de la Ville

Le TCMO est d'accord avec cette recommandation.

Offrir des bons différés est une pratique commerciale habituelle et acceptée dans l'industrie des services. Une politique formelle à cet effet sera rédigée d'ici au T4 de 2011.

Recommandation 9

Que le STI travaille avec le TCMO à l'analyse des besoins du Terrain de camping et détermine s'il est possible de mettre en place un système de réservation en ligne et, de déterminer quelles mises à niveau du matériel informatique s'imposeraient et quels seraient les avantages éventuels de l'implantation.

Réponse du TCMO/de la direction de la Ville

La direction est d'accord avec cette recommandation.

Le STI et le Service des parcs, des loisirs et de la culture travailleront de concert avec le TCMO à l'analyse des besoins du Terrain de camping et étudieront la faisabilité, les coûts ainsi que les avantages éventuels de l'implantation d'un système de réservation en ligne par le biais du processus annuel de réception de demandes d'ici au T4 de 2012.

De plus, le STI a aussi remis une estimation des coûts au Conseil de gestion du Terrain de camping le 20 juin 2011 pour établir la connectivité de réseau du Terrain de camping. Le tout a été approuvé et le matériel informatique a déjà été commandé.

Recommandation 10

Que, dans un effort de rétablir son engagement envers le bilinguisme, le Conseil de gestion du Terrain de camping fasse réviser et corriger tous les documents et qu'il s'assure d'offrir des services convenables en français, en tout temps, à la réception.

Réponse du TCMO/de la direction de la Ville

Le TCMO est d'accord avec cette recommandation.

Le TCMO fera tout en son possible pour se conformer à cette recommandation. La priorité sera accordée aux candidats bilingues quand viendra le moment de pourvoir aux postes de la réception du Terrain de camping.

Conclusion

Cette vérification a permis de constater un engagement profond et un désir évident des employés de la saison 2010 d'améliorer le Terrain de camping municipal d'Ottawa, que ce soit en modernisant les installations comme l'accès au réseau Internet sans fil ou en aménageant les salles de bain pour qu'elles soient accessibles aux handicapés; ceci en vue de faire de l'expérience des campeurs, la meilleure des expériences de camping possible.

Sur le plan opérationnel, le contrôle financier doit être plus rigoureux en vue de s'assurer que le Terrain de camping respecte les politiques et procédures de la Ville d'Ottawa. Cette vérification a fait ressortir des lacunes dans la surveillance et le soutien liés à la gestion financière et aux technologies de l'information.

La Ville doit concentrer ses efforts sur la définition claire du rôle d'un organisme extérieur par rapport à son propre rôle à elle, et par conséquent assurer un niveau adéquat de surveillance de tous les aspects des opérations.

Remerciement

Nous souhaitons remercier la direction de la Ville et celle du Terrain de camping municipal d'Ottawa pour la collaboration et l'aide accordées à l'équipe de vérification.

1 INTRODUCTION

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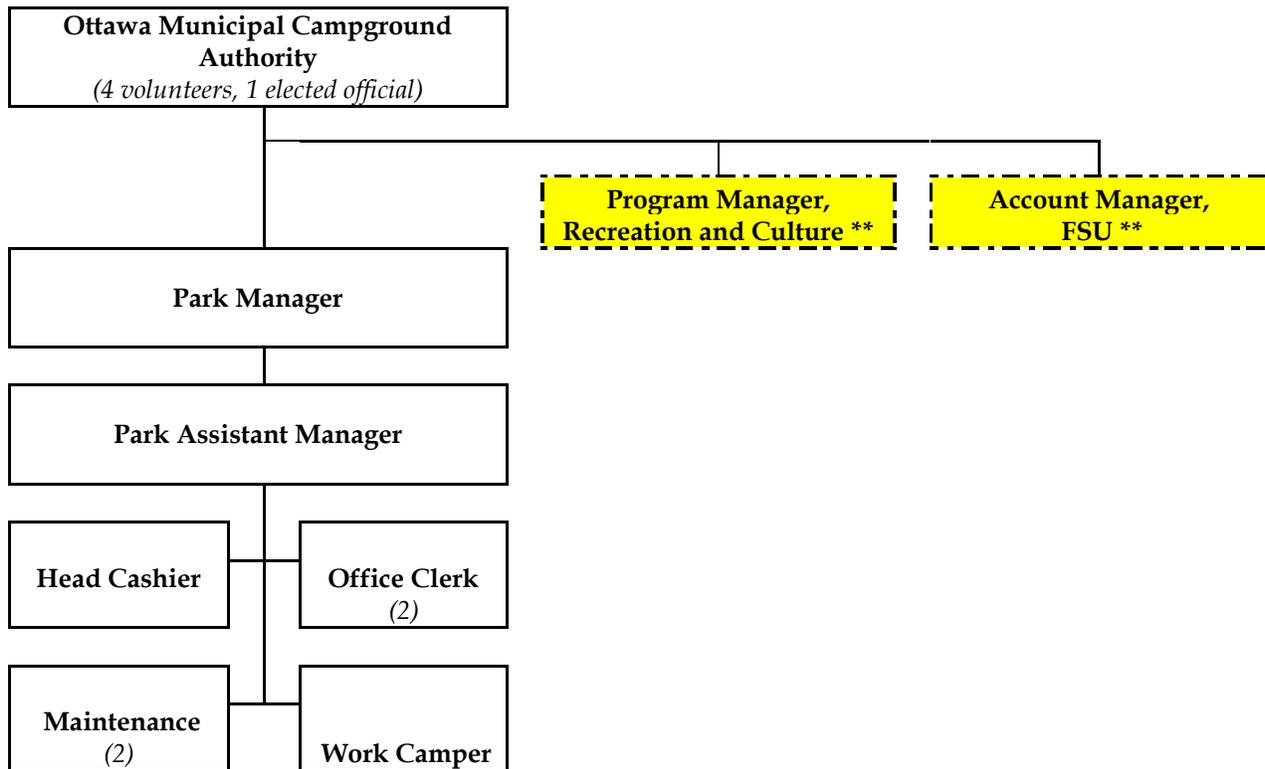
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The Ottawa Municipal Campground (OMC or the Campground) has been in operation since 1967. The Campground is located at 411 Corkstown Road on land leased from the National Capital Commission at an annual rent of \$1.00. The initial 40 year lease ended in 2007; after a two year extension the lease was renewed for a five year term effective November 1, 2009.

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The Ottawa Municipal Campground Authority (the Authority) is composed of five board-members; four Council-appointed volunteers and a City Councillor overseeing the operations of the Campground through the Park Manager. All paid staff positions, including the Park Manager position, are seasonal.

Table 1: Ottawa Municipal Campground Organisational Structure


** City support services

In 2009, the Campground upgraded to enable patrons to have wireless Internet access from the main office/store; and, in September 2010, it was investigating the opportunity of upgrading the washroom in the main building and making it disability accessible.

3 AUDIT SCOPE, OBJECTIVES AND CRITERIA

The audit did not include a full review of the operations of the Ottawa Municipal Campground. Rather, the audit examined the facility's activities and transactions related to 2009 onward against the following objectives and criteria:

Audit objective/criteria 1: To assess if:

- The facility's policies and procedures are effective and efficient;
- Assets and thereby the interest of the City of Ottawa are safeguarded; and,
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Audit objective/criteria 2: To assess the extent to which:

- The facility's program(s) are being administered with due regard to economy, efficiency and effectiveness; and,
- Accountability is being served.

Audit objective/criteria 3: To assess if the facility offers services to the public in both official languages.

4 APPROACH

The audit approach included interviews with Campground employees, site visit and document review.

5 DETAILED FINDINGS, OBSERVATIONS AND RECOMMENDATIONS

5.1 Audit objective/criteria 1

To assess if:

- *The facility's policies and procedures are effective and efficient;*
- *Assets and thereby the interest of the City of Ottawa are safeguard; and,*
- *The facility is compliant with its governing policies and procedures.*

In addition to the information and recommendations outlined below, further details and recommendations have been provided to management that are not included here due to security concerns. The additional recommendations will be subject to a follow-up audit once one is undertaken.

5.1.1 Safeguarding of Funds and Floats

Unless funds and floats safeguards are strengthened, there is the potential for losses to occur. It should be noted that, in the case of the Campground, any loss amounts would be of relatively low dollar value.

The City's cash handling procedures apply to OMC in accordance with the operating agreement executed in August 2010. With the exception that reconciliations and expenditures are authorized by the Chair of the Campsite Authority prior to being sent to the City's Finance Department, OMC should act in accordance with the City's Petty Cash, purchasing card and other financial policies.

The Park Manager indicated that the Campground has two cash floats. One is used for daily point of sales transactions and the other spare float is used either to make change or in the event a second cash float is required. In some cases, the laundry machines can also be used to make change. If change cannot be made from either the second cash float or laundry machines, the Park Manager goes to the bank to get change as opposed to ordering it from Cash Accounting. Our count of the spare cash float confirmed its level was correct.

The Park Manager also indicated that OMC has a petty cash fund to facilitate and accelerate the processing of low value transactions. Per the City's Petty Cash Funds and Change Floats procedure, the petty cash fund should not exceed \$1,000 without the approval of the Treasurer. Our review of the City of Ottawa Petty Cash/Change Float Activity Form, signed by the Park Manager, confirmed that there should be only one change float and a petty cash fund.

The Park Manager advised us that the petty cash fund is kept available in case the Assistant Park Manager would require money for a small purchase and that it was acceptable for the Assistant Park Manager to access the petty cash funds without his presence.

As custodian for the petty cash fund, the Park Manager is responsible for being familiar with the related policies and procedures and for the safeguard of the fund at all times. Our count of the fund revealed that \$81.44 was not accounted for. The Park Manager was not concerned and stated that as a practice he writes a personal cheque to cover any missing monies at the end of the year. However, the City policy which OMC is subject to clearly states that "at all times, the sum of the cash on hand plus the total receipts and replenishment requests in process should equal the authorized amount of the petty cash fund."

During 2009, the petty cash fund was reconciled three times. Three small errors totalling a difference of \$0.48 were noted. While these amounts are clearly minimal, it does demonstrate that they are submitted without comparing against receipts provided before a replenishing cheque is issued.

Recommendation 1

That the Campground Authority ensure that the City's Petty Cash Funds and Change Floats policy and procedure are followed to ensure the control and safekeeping of petty cash funds and floats, including custodian responsibilities, suitable lock-box, keys or combinations.

OMC/City Management Response

The OMC agrees with this recommendation.

Effective June 2011, staff are following the City's policy and procedures for Petty Cash Funds and Change Floats.

5.1.2 Daily Deposit

Unless Cash Accounting periodically visit outlying sites and reinforce best financial practices, inappropriate accounting practices will continue to exist.

Each morning, the person that opens the Datasym cash register at OMC, usually the head cashier, enters their Datasym ID/cash number. Thereafter, all transactions are entered under this number which would render finding who entered a specific transaction difficult. As everyone uses the same cash drawer, any overage or shortage could not be associated with a specific staff. It also renders the practice of providing each staff with their own ID/cash number worthless.

Transactions relating to campsite rentals are also entered into a separate Parks system which denotes which campsite of which cluster is being used and for how long. There is no link between the Parks system and Datasym cash register to reconcile that the right amount of revenues were taken in. Even if there was a link, the present practice of using “rain checks”, discussed later, would render reconciliations difficult.

We were informed by the head cashier that before the end of the day, she usually runs an “X” tape and pre-counts. in order to get a head start on balancing the cash drawer. *The “X” tape is a report on the amount of money and the products sold from your cash register. It is like the subtotal key on a calculator and may be used as many times a necessary, as it does not affect the information contained in your cash register.*¹

At the end of the workday, the “Moneris” machine (credit and debit card payments) is balanced by running an ADMIN 60 report and then compared to the totals on the “x” report from the cash register, as part of the daily balancing routine. The ADMIN 60 report lists the totals for VISA, Debit, MC and Amex including the number of transactions and total value. All the VISA, MC, Debit and Amex chits in the cash register drawer are then sorted by payment type and balanced to the ADMIN 60 totals. The cashier counts and balances the cash and cheques in the till to the “x” report. All chits are then placed in the Secondary Envelope with the rest of the backup documentation. The cashier then counts what is left in the till. The “z” report clears the cash register totals to zero so that it is ready for next day as it is not connected to the City’s network”. *The “Z” report is the report that closes your cash register.*²

Recommendation 2

That the Campsite promptly report and record, in accordance with the City’s cash handling policies and procedures, all overages, shortages, losses and theft.

OMC/City Management Response

The OMC agrees with this recommendation.

Staff were trained effective June 2011 and are now following the City’s cash handling policy and procedures.

¹ Appendix L: Cashier Manual for the DataSym Cash Register

² Appendix L: Cashier Manual for the DataSym Cash Register

Recommendation 3

That Finance Department question any areas that consistently do not report overage and/or underage.

OMC/City Management Response

Management agrees with this recommendation.

The cash over/under account will be monitored regularly by Cash Accounting to determine which sites are not reporting any cash discrepancies in their deposits. The investigative mechanism can be set up by the end of Q3 2011, however follow-up may not be possible until operations commence again in 2012 when the campsite is operational.

5.1.3 Payment Card Industry (PCI) Standards - Credit Card Information

At the time of our visit in September 2010, the OMC was not compliant with Payment Card Industry (PCI) Standards.

PCI compliance requirements apply to all businesses worldwide that accept payment by credit card. PCI compliance requires that when storage of credit card data is required for business purposes, this information be secured at all times. On the day of our visit to the Campground, Finance Department notified the Park Manager that PCI Standards may have an impact on the facility. The City's Cash Handling Policy requires that credit card information not be retained unless there is a business requirement and if so that the information only be stored in a PCI compliant application approved by Finance. Management informed us that all precautions must be taken to safeguard customers' information and as the City moves towards PCI compliance, the Revenue Branch was educating those handling credit card information on PCI. In October 2010, Revenue Branch informed us they were mapping out the Campground business process and both the FSU and the Branch were committed to assisting in the new year with a recommendation for a new process that meets the Campground's needs. Since then, a new reservation policy has been approved by the Board.

"Payment Card Industry Data Security Standard (PCIDS)" was added to the October 18, 2010 agenda for the Ottawa Municipal Campground Authority. Management advised that a general PCI awareness presentation was provided to OMC Authority as well as discussions around handling of credit card information to meet PCI standards. Given the OMC is seasonal, discussions were commenced at the meeting, put on hold over the winter and recently recommenced as staff are now back to open the operations.

Recommendation 4

That the Campground, in conjunction with the Finance Department, review and revise its reservation of campsite policies.

OMC/City Management Response

Management and the OMC agree with this recommendation.

Finance management have provided support and advice to the Campground that is consistent with the City's Cash Handling Policy and Procedures to implement a reservation policy that includes usage of a PCI compliant tool. The Campground has recently approved the reservation policy. No further action is required.

5.1.4 Performance Evaluation and Statistics

OMC has established a process to both rate the performance of the facility and staff and receive feedback – the results of which are provided to the Authority.

OMC invites campers to provide comments via a bilingual survey, rating the Campground on a scale of 1 to 5 (poor to excellent). Results of these are tabulated and provided to the Campsite Authority at the end of the season (October). There was an increase of submitted surveys from 19 in 2008 to 87 in 2009.

OMC also keeps statistics as to the types of sites rented by month during the season as well as customer origin. This data was used to support an upgrade of amperage (to 30 AMP) to an additional 22 sites.

5.1.5 Inventory

OMC do not inventory stock. The only inventory relates to 13 pieces of small equipment (chain saws, pressure washer, weed-eaters, etc.) stored and maintained over the winter at the Moodie Drive garage.

As there is no inventory of goods bought for the convenience store, no count was possible. In addition, we noted that staff take goods from the convenience store and write these in a book kept at the counter. Management informed us that it was a privilege for staff to buy goods at cost and not at the price they were sold to campers. During our visit both the Park's Manager and the Head Cashier took various bottles of water and noted these in this log.

Recommendation 5

That the Campground set up an inventory system for store goods.

OMC/City Management Response

The OMC agrees with this recommendation.

An inventory system has been implemented for firewood. A system is currently under review for the store and will be implemented by Q2 2012.

5.1.6 Work Camper

The Ottawa Municipal Campground utilizes the services of “work-campers”. A work-camper is an individual that provides services in-lieu of camping fees. In this instance this person would provide janitorial services (cleaning of washrooms) and on occasion would be asked to assume the duties of office clerk. Except for opening and closing of the Datasym register, the work-camper performs all other office related duties (e.g., takes in revenues, accepts reservations, etc.).

At present we were informed that the work-camper works 20 hours per week. Anything over 20 hours would require payment at minimum wage. The current work-camper’s husband also works at the campground for minimum wage.

This situation may potentially be considered an employer/employee relationship and have implications for the City in terms of the Employment Standards Acts and Workers’ Compensation.

It appears from Campground Authority minutes that both the work-camper and her spouse may have been suspended at the end of the 2010 season.

Recommendation 6

That the City Clerk and Solicitor department confirm if an employer/employee relationship exists and take appropriate action.

OMC/City Management Response

Management agrees with this recommendation.

Labour Relations staff will conduct an assessment to determine whether an employee/employer relationship exists at law. If one is found, staff will take whatever actions are required to address the situation, including notification to the Canada Revenue Agency. This recommendation is expected to be complete in Q3 2011.

5.1.7 Governance and Reporting Structure

As stated earlier, the Campground reports to the Ottawa Municipal Campground Authority (the Authority) which is composed of five board members; four Council-appointed volunteers and a City Councillor. The Authority is responsible for overseeing the operations of the Campground through the Park Manager. All positions, including the Park Manager position, are seasonal.

The role of City administration (Finance, Human Resources, Information Technology, etc.) in monitoring and supporting the operations of the Campground had not been well-defined until recently, which in our view has resulted in many of the issues arising from this audit. During the summer of 2010, roles have been clarified within an agreement signed by both the City and the Ottawa Municipal Campground Authority. Prior to this agreement, there was nothing formally in place between the Authority and the City as an operating agreement other than the

NCC lease which contained certain conditions. The lack of such an agreement was in the past the cause of a certain amount of ambiguity between both parties. The Campground's origin is as a Centennial project in 1967, at which time a 40-year lease was signed between the National Capital Commission (NCC) and the municipalities of Nepean and Ottawa. Accompanying the lease was an operating agreement outlining the basics (the Authority, its main function, membership, staff support, etc). The need for a revised operating agreement, clearly identifying the role and identity of the Authority as well as its relationship to the City, only became more imperative when the lease itself finally expired in 2007 (followed by a 2-year extension). In November of 2009, the Authority subsequently entered into an interim operating agreement with the City of Ottawa, pending the finalization of a long-term lease with the NCC and any City formalization of its relationship with its local boards. On August 5, 2010, the Authority entered into a new operating agreement with the City of Ottawa, in which roles have been clarified. Since the signing of the agreement, greater oversight of the Campground was noted (e.g., involvement of the FSU, guidance through PCI compliance, etc.).

Now that the City has a binding agreement with the Authority, both parties need to ensure that conditions are met. The agreement clearly stipulates that "the Authority shall manage and operate the Campground in accordance with City personnel and financial policies subject to" 13 additional conditions which are stated in the agreement (e.g., Authority prepares yearly budget with estimates of revenues; Authority adopts and administer policies, rules and regulations respecting the operation of the Campground, etc.). Accordingly, it is suggested that as part of the standard mid-term governance review carried out by the Clerk's office, a review of the current agreement with the Campground be undertaken to ensure it has adequately addressed the issue discussed herein. This review should examine if there is a need for further changes to the governance relationship with Campground, including incorporating it into the Parks, Recreation and Culture Department as a program delivered directly by the City.

For the first time, in January 2011, a report on the operating and capital budgets was brought to Council and approved. Document 2 of this report provides statistics on usage of the park for the 2010 season (May to October) itemized by the 10 provinces, United States and Europe; as well as on the types of sites rented (serviced by amps and/or unserviced).

Recommendation 7

That, as part of the mid-term governance review carried out by the Clerk's office, a review of the current agreement with the Campground be undertaken to determine if there is a need for further changes to the governance structure, including incorporating it into the Parks, Recreation and Culture Department as a program delivered directly by the City.

OMC/City Management Response

Management agrees with this recommendation.

The Ottawa Municipal Campground Authority was identified as being a local board in a report that the City Clerk and Solicitor presented to City Council in 2007. The report was entitled “Bill 130 – A Review of Ottawa’s Agencies, Boards and Commissions”. It defined “local board” and provided a list of entities associated with the City of Ottawa that fall into the category of “local board”. This report set out changes to the *Municipal Act, 2001*, including the requirement that local boards have a procedure by-law, as well as “adopt and maintain” policies with respect to: sale and other disposition of land; hiring of employees; and, procurement of goods and services.

As part of its mid-term governance review, the City Clerk in consultation with Parks, Recreation and Cultural Services, will review the current agreement with the Campground with a view to determining a need for further changes to the governance structure by Q4 2012.

5.2 Audit objective/criteria 2

To assess the extent to which:

- *The facility’s program(s) are being administered with due regard to economy, efficiency and effectiveness; and,*
- *Accountability is being served.*

5.2.1 Refund Policy Form

The practice of providing campers with rain checks contravenes a directive from the Campground Authority.

At the Ottawa Municipal Campground Authority’s, June 21, 2010 meeting, the Park Manager “raised the matter of a refund policy form. At that time the members advised that they preferred keeping the status quo of patrons writing to the Authority to request their refunds.”

During our visit, we noted that the Campground had now adopted the practice of giving campers “rain checks” in lieu of refunds. For all intents and purposes, this practice circumvents the directive of the Authority. Liabilities are also not set up to capture those rain checks.

Recommendation 8

That OMC develop a formal policy regarding rain checks and refunds.

OMC/City Management Response

Management agrees with this recommendation.

Offering rain checks is a recognized and acceptable business practice within the service industry. A formal policy will be developed by Q4 2011.

5.2.2 Computer Software and Hardware

The Campground needs could be better met with the replacement of the obsolete office computer and establishment of an on-line reservation system.

As a standalone entity, the City's Information Technology Services does not upgrade OMC's computer hardware. We noted that OMC still operates a 3.5 floppy disk computer which could no longer support required software and which caused inefficiencies.

We also noted that although OMC has a website, reservations cannot be taken electronically. Many campgrounds now have e-reservations capabilities. As the Campground and its employees are seasonal (May to October), an e-reservation system may be an asset for the winter months and may generate additional campers for the following season. Management advised us that only 10-15% of campers do not make a reservation in advance.

Recommendation 9

That ITS work with OMC to review the Campground's need and establish if an on-line reservation system could be put in place; what, if any, hardware upgrades would be required and the potential benefits of implementation.

OMC/City Management Response

Management agrees with this recommendation.

ITS and Parks, Recreation and Cultural Services will work with OMC to review the Campground's need and analyse the feasibility, costs, and potential benefits of implementation of an on-line reservation system through the annual business intake process by Q4 2012.

In addition, ITS also provided cost estimates to the Campground Authority Board on June 20, 2011 for establishing network connectivity at the campground. Approval was received and the hardware has already been ordered.

5.2.3 Pesticide Use

No pesticides are used at the Campground.

Management informed us that no pesticides are used at the Campground and that they do not actively control weeds.

5.3 Audit objective/criteria 3

To assess if the facility offers services to the public in both official languages.

Services provided in French were not equivalent to those provided in English.

During our visit in September 2010, we were informed that the students hired to work at the reception over the summer were bilingual. However, both had returned to school.

Several telephone calls were made prior to visiting OCM, in order to ascertain the level of French services. During one of our phone calls (conducted in French) to book a site for the September long-weekend we were informed in English that the campground was full. However, during our visit it was established that not all sites had been rented.

Although the head cashier was very pleasant and tried to accommodate a series of French campers (from France), misunderstandings were apparent and the campers were required to speak English.

A comparison of the OMC French and English websites also revealed discrepancies in translation. In addition many errors were noted on the French site (e.g. grammatical and syntax errors, incorrect translations). Although an effort to provide some French is apparent, some translations were outstanding. For example, the Campground Rules have been translated and are available in French; however the map on the reverse side of the sheet is only available in English. Translation of many of the areas noted on the map could be found on the already translated survey.

Recommendation 10

That, in an effort to restore its commitment to bilingualism, the Campground Authority have all documentation reviewed and corrected and that they ensure that satisfactory French services are available, at all times, at the reception office.

OMC/City Management Response

The OMC agrees with this recommendation.

The OMCA will make their best effort to comply with this recommendation; and preference will be given to bilingual candidates applying for positions in the reception office at the campground.

6 CONCLUSION

This audit observed a strong commitment and a demonstrated desire on the part of the 2010 Campground employees with regard to bettering the Ottawa Municipal Campground, whether through facility improvements such as Internet wireless access and/or making the facility disability accessible while providing the best possible camping experience to its patrons.

Operationally, financial controls need to be strengthened to ensure OMC meet and are consistent with City of Ottawa policies and procedures. This audit identified

lapse in oversight and support relating to financial management and information technology.

The City needs to focus its attention on clearly defining an outside facility's role versus its own therefore ensuring an appropriate level of oversight in all aspects of operations.

7 ACKNOWLEDGEMENT

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