

To: Chair & Committee Members, Audit Committee

Date: October 26, 2020

Areas Responsible: Lynnnann Winsor – DCM, Public Works
Andrew Niblock – Director, Environmental Services

The table below summarizes the pending issues from the Review of Robin Hood Bay Waste Management Facility – Scale House Operations – assignment #18-02.

Recommendation	Status Update	Date
1.2 (iii) To decrease the risk of revenue loss to the City related to inappropriately voided transactions, management should update the Robin Hood Bay Auditing Procedures Using PC Scale document to include this new process.	This document has been updated and was reviewed with management staff in January 2020. Still need some time to finalize and have a final review with appropriate staff.	Dec 2020 <u>Previous Date:</u> Sep 2019
1.3 (i) In order to reduce the risk of the report reviewer not identifying inappropriate or unjustified adjustments, management should consider developing a list of standard comments for the most often encountered reasons as many of the adjustments were noted to involve similar comments (e.g. wrong material type, wrong origin, etc.). This would allow the report reviewer to spend more time reviewing the riskier, one-off adjustments.	This is still in development	Dec 2020 <u>Previous Date:</u> Dec 2019

Recommendation	Status Update	Date
1.3 (ii) In order to reduce the risk of the report reviewer not identifying inappropriate or unjustified adjustments, management should instruct staff to provide more insightful reasons for those adjustments that are not standard and to provide a comment for every adjustment.	This is still in development	Dec 2020 <u>Previous Date:</u> Dec 2019
1.3 (iii) In order to reduce the risk of the report reviewer not identifying inappropriate or unjustified adjustments, management should update the Robin Hood Bay Scale House Ticketing Procedures Using PC Scale document with the requirement for entering comments for specific transactions and guidance on how to enter them.	This is still in development	Dec 2020 <u>Previous Date:</u> Dec 2019
1.4 In order to help decrease the risk of lost revenue to the City and/or overcharges to permit holders management should perform investigations into why the most common reasons for adjusted transactions are occurring. This may result in having to perform less adjustments to transactions (i.e. rework) which would allow the reviewer to be more effective when reviewing the remaining adjustments.	Of the most common adjustments identified in the audit report, the issue of "bypass" is still occurring. We are still investigating changing the settings with the RFID reader. As previously stated, this is an issue that has been resolved but resurfaces. We must be careful in adjusting this piece of hardware as to not impact regular operation. The process around international waste has changed, so this should no longer occur. Other items were discussed with the vendor and are built into the software.	Dec 2020 <u>Previous Date:</u> Dec 2019

Recommendation	Status Update	Date
<p>1.5 (i) To improve controls over the tare weight process and help ensure that weights and billings to permit holders are accurate, management should determine if the PC Scale system can be adjusted so that the prompt to reset the tare weight cannot be ignored, or alternatively generate a report, on a semiannual basis, of vehicles whose tare weight has not been reset for six months or greater and ensure they are reset.</p>	<p>A report has been created for tracking tare changes. This report will be reviewed on a semi-annual basis as previously indicated. More time is needed to review and document this process with staff.</p>	<p>Dec 2020</p> <p><u>Previous Date:</u></p> <p>Dec 2019</p>
<p>1.5 (ii) To improve controls over the tare weight process and help ensure that weights and billings to permit holders are accurate, management should generate and review a report of tare weight adjustments on a monthly basis to ensure they are reasonable.</p>	<p>A custom report has been created by IT staff to summarize tare weight changes. To date, this has not been reviewed on a monthly basis. More time is needed to review and document this process with staff.</p>	<p>Dec 2020</p> <p><u>Previous Date:</u></p> <p>Dec 2019</p>
<p>1.6 (ii) To improve controls in the process for handling expired permits and overdue accounts, management should review reports showing haulers in PC Scale with the functions “expired permit not at the default setting” and “outstanding account balances greater than 60 days not at the default setting” on a monthly basis to ensure the default settings are activated for all haulers.</p>	<p>These are regularly checked. However, more time is needed to properly document these procedures and review process with staff.</p>	<p>Dec 2020</p> <p><u>Previous Date:</u></p> <p>Dec 2019</p>

Recommendation	Status Update	Date
1.6 (iii) To improve controls in the process for handling expired permits and overdue accounts, management should document procedures for handling expired permits and overdue accounts, including the reporting process noted above, and include them in the Robin Hood Bay Scale House Ticketing Procedures Using PC Scale and the Robin Hood Bay Auditing Procedures Using PC Scale documents.	This is still in development. Staff are aware of the requirements, but the instructional document is yet to be finalized.	Dec 2020 <u>Previous Date:</u> Dec 2019
2.1 (iii) To improve internal controls over access to the PC Scale computer system management should develop a formal, written procedure to document this process.	This is in development.	Dec 2020 <u>Previous Date:</u> Oct 2019
2.2 (iii) To decrease the risks associated with inappropriate computer system access rights management should develop a formal, written procedure to document this process.	This is in development.	Dec 2020 <u>Previous Date:</u> Dec 2019
3.1 In order to ensure that procedural information is accurate and that employees have access to necessary guidance management should consider removing all ticketing procedure items from the Standard Operating Procedures – RHB Scalehouse document. All procedures related to the ticketing process should be included in the Robin Hood Bay Scale House Ticketing Procedures Using PC Scale document.	SOP document will be updated once the Ticketing Procedures document is finalized. This is still in development.	Dec 2020 <u>Previous Date:</u> Dec 2019

Recommendation	Status Update	Date
<p>3.2 (i) To ensure the Scale House Attendants have been provided with all the necessary information to perform their duties correctly management should update the Robin Hood Bay Scale House Ticketing Procedures Using PC Scale document with written procedures for the following processes. The process followed when a hauler's load contains different material types at different costs.</p>	<p>This is in development.</p>	<p>Dec 2020</p> <p><u>Previous Date:</u></p> <p>Dec 2019</p>
<p>3.2 (iii) To ensure the Scale House Attendants have been provided with all the necessary information to perform their duties correctly management should update the Robin Hood Bay Scale House Ticketing Procedures Using PC Scale document with written procedures for the following processes. The process followed when a hauler's load contains materials to be disposed of at the Materials Recovery Facility.</p>	<p>Once document is completed, the updated version will be posted for easy reference at the scale house</p>	<p>Dec 2020</p> <p><u>Previous Date:</u></p> <p>Dec 2019</p>
<p>3.3 Management should ensure the Robin Hood Bay Auditing Procedures Using PC Scale document is updated to include the current process followed for generating, printing, and reviewing the audit documents. The updated document should be provided to those employees responsible for performing the procedures.</p>	<p>This document was reviewed in a meeting January 2020 and provided to management staff. This document still needs to be finalized and will be reviewed again with appropriate staff.</p>	<p>Dec 2020</p> <p><u>Previous Date:</u></p> <p>Dec 2019</p>

Recommendation	Status Update	Date
<p>3.4 Management should ensure that copies of the Robin Hood Bay Scale House Ticketing Procedures Using PC Scale and the Standard Operating Procedures – RHB Scalehouse documents are maintained at the Scale House so that the Scale House Attendants can refer to them when required.</p>	<p>Once document is completed, the updated version will be posted for easy reference at the scale house</p>	<p>Dec 2020</p> <p><u>Previous Date:</u></p> <p>Dec 2019</p>
<p>4.1 (i) To improve controls over Scale House operations during a power outage management should update the Robin Hood Bay Scale House Ticketing Procedures Using PC Scale document to include the process to be followed when processing a transaction at the Scale House during a power outage. This should include the process for issuing the Weigh-in Receipt, completing the log form, entering the information into PC Scale when the system becomes available, and for reviewing and approving the entries.</p>	<p>This has been added to the document (see Section 6.0 in document). Document is still being finalized and is in development.</p>	<p>Dec 2020</p> <p><u>Previous Date:</u></p> <p>Mar 2020</p>
<p>4.1 (ii) To improve controls over Scale House operations during a power outage management should obtain a back-up power source for the PC Scale system, if feasible. This will ensure regular operations can continue at the Scale House during a power outage and eliminate the risks noted above. approving the entries.</p>	<p>This would require a back-up generator be installed to run the administration building since that is where network infrastructure is housed. This would require a capital investment and procurement process. More time is needed for engineering design and tendering of this work.</p>	<p>Mar 2021</p> <p><u>Previous Date:</u></p> <p>Mar 2020</p>

Recommendation	Status Update	Date
4.2 Management should investigate the feasibility of developing an inspection program with the goal of providing some level of assurance that the material types being entered in the PC Scale system are accurate. This would involve determining the risk tolerance of senior management and Council to establish the level of inspection required (e.g. no inspection, random spot inspections, full inspection, etc.).	This is in development.	Dec 2020 <u>Previous Date:</u> Sep 2019

The following table summarizes the current status of all issues identified in the Review of Robin Hood Bay Waste Management Facility – Scale House Operations – assignment #18-02.

Total Recommendations	Closed	Pending
35	16 (46%)	19 (54%)

The Table below summarizes the closed issues from the Review of Robin Hood Bay Waste Management Facility – Scale House Operations – assignment #18-02.

Recommendation	Status Update	Date
1.1 (i) To improve controls over the daily report package process management should ensure that daily report packages are produced every day. If a management employee is performing the duties of a foreperson for the day, then they should also be responsible for preparing the daily report package.	Completed	Implemented Closed
1.1 (ii) To improve controls over the daily report package process management should ensure that individuals who are responsible for preparing the daily report packages are properly trained on how to do so.	Completed	Implemented Closed
1.1 (iii) To improve controls over the daily report package process management should have the Director, Environmental Services, or appropriate designate, sign and date the daily report package after review to indicate that it is complete and accurate. When reviewing the packages management should ensure that all required reports are included and that there is a report package for each day.	Completed	Implemented Closed
1.2 (i) To decrease the risk of revenue loss to the City related to inappropriately voided transactions, management should ensure a “Stage Void Report” is generated, printed, reviewed and signed-off at the end of each day.	Completed	Implemented Closed

Recommendation	Status Update	Date
1.2 (ii) To decrease the risk of revenue loss to the City related to inappropriately voided transactions, management should include the "Stage Void Report" in the Daily Report Package forwarded to management for review.	Completed	Implemented Closed
1.6 (i) To improve controls in the process for handling expired permits and overdue accounts, management should ensure that the default setting for the function "outstanding account balances greater than 60 days" is reactivated for all haulers.	Completed	Implemented Closed
1.6 (iv) To improve controls in the process for handling expired permits and overdue accounts, management should review PC Scale system access to determine if access to deactivate these two functions is appropriate (i.e. should Revenue Accounting staff have access, etc.).	Access to this feature can't be changed for Revenue Accounting staff. To remove access to this function, it would require removing access to an entire suite of functions in PC Scale which would impact their ability to do their work. The measures outlined in 1.6(i) will reduce the risk of this feature being deactivated for an unnecessary period of time.	Implemented Closed
1.7 (i) To decrease the risk of transactions not being closed due to vehicle's remaining on the staged list, management should determine why the older transactions are still on the staged list and remove them or close the transaction as appropriate.	Completed	Implemented Closed

Recommendation	Status Update	Date
1.7 (ii) To decrease the risk of transactions not being closed due to vehicle's remaining on the staged list, management should ensure that the foreperson is checking the staged list at the end of each day as required by the Robin Hood Bay Auditing Procedures Using PC Scale document.	Completed	Implemented Closed
1.7 (iii) To decrease the risk of transactions not being closed due to vehicle's remaining on the staged list, management should review the staged list on a regular basis to ensure it is up to date.	Completed	Implemented Closed
1.8 Management should monitor ticket reprints to determine if some customers are requesting an excessive amount. Any customers found to be requesting ticket reprints excessively should be contacted to determine if other, less wasteful, arrangements can be made, such as using the option in PC Scale to email a copy of the ticket to a specified email address automatically upon generation of the ticket.	Completed	Implemented Closed
2.1 (i) To improve internal controls over access to the PC Scale computer system management should review the active operators in the Operator List for PC Scale and ensure that individuals who are retired or absent from work for an extended period are inactivated in the system	Completed	Implemented Closed

Recommendation	Status Update	Date
2.1 (ii) To improve internal controls over access to the PC Scale computer system management should ensure the Operator List report is generated and reviewed annually to make certain the operator list is kept up to date.	Completed	Implemented Closed
2.2 (i) To decrease the risks associated with inappropriate computer system access rights management should immediately review access rights for operator groups in the PC Scale computer system to ensure they are appropriate and adjust access rights where necessary.	Completed	Implemented Closed
2.2 (ii) To decrease the risks associated with inappropriate computer system access rights management should ensure the Security Level List report is generated and reviewed on a regular basis (e.g., every two years) and/or when changes are made to the job responsibilities for an Operator group.	This will be completed again in 2021 as per recommendation.	Implemented Closed
3.2 (ii) To ensure the Scale House Attendants have been provided with all the necessary information to perform their duties correctly management should update the Robin Hood Bay Scale House Ticketing Procedures Using PC Scale document with written procedures for the following processes. The process followed when a hauler's load contains "International" materials.	Process has changed around how international waste is entered. International waste is now entered similar to all other commercial waste transactions. Therefore, there is no need to add this to the Ticketing Procedures document.	Not Applicable Closed