



January 20, 2012

City of Saskatoon – City Clerk’s Office  
Attention: Secretary – Audit Committee  
222-3<sup>rd</sup> Avenue North  
Saskatoon, Saskatchewan S7K 0J5

### **Audit Report – Impound Lot System**

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The 2009-2010 Corporate Audit Plan included provision to conduct a financial system audit of the City’s Impound Lot System.

The City’s Impound Lot, located at 150 Jonathon Avenue, opened and commenced seizing vehicles as of February 2008. The impound lot management system (iLot) was fully implemented in July 2008.

The iLot system is used to manage the impounded vehicle inventory. This includes adding vehicles to the inventory, tracking correspondence with the vehicle owner, calculating impound charges, receiving payments and, finally, releasing vehicles to the owner, public auction or scrap metal vendor.

From July 1, 2008 to June 30, 2009, 3,215 vehicles were impounded. The total revenue collected during this time was \$443,500 from impounding fees and \$39,000 from vehicle disposals. For the 2010 year there were 3229 vehicles impounded, with 2594 picked up by the registered owner (\$430,234), 476 sold as scrap (\$37,170) and 159 sold at auction (\$125,523).

The objectives of the audit were to determine whether adequate systems, practices and controls are in place to ensure:

- Complete and accurate billing and collection of Impound Lot revenues,
- All adjustments (e.g., voids, refunds, cancellations, adjustments, etc.) are valid and accurately processed, and
- Opportunities for theft, fraud and misappropriation are minimized.

Management is currently working on implementation of the recommendations.

Respectfully submitted,

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