



January 4, 2013

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

Audit Report – Transit Services Branch – Revenue Collection System

The 2011-2012 Corporate Audit Plan included provision to conduct a financial system audit of the Transit Services Branch Revenue Collection System. This financial system was last subject to internal audit by Robert Prosser & Associates Inc. in September 2004.

Transit Services Branch provides passengers with a variety of fare options including monthly passes, annual passes, ten- and twenty-ride packages, semester passes, day passes and cash fares. In early 2010, the Branch implemented BEA, an automated fare collection system (i.e., electronic fare boxes and smart card technology) from BEA Transit Solutions, which has automated many aspects of the revenue collection system.

Smart cards, also called Go Passes, are electronically “loaded” with product (i.e., passes, tickets) through the use of a value-add terminal. These terminals are connected to the BEA system and regularly upload and download information (e.g., new products, new prices, sales transactions, etc.). Passengers pass their smart cards over the electronic fare box upon boarding the bus and the electronic fare box can determine whether the smart card is valid (i.e., the pass is current).

The overall objective of the audit was to determine whether adequate systems, practices and controls are in place to ensure:

- Complete, accurate and timely billing and collection of revenue.
- Adjustments are valid and accurately processed.
- Opportunities for theft, fraud and misappropriation are minimized.

Management is currently working on implementation of the recommendations.

Respectfully submitted,

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