



City of Markham

Report of the Auditor General Property Tax Revenue Audit – Follow Up

Presented to: General Committee of Council, City of Markham

Date: October 2, 2017

BACKGROUND

On October 26, 2016, the Property Tax Revenue Audit Report was issued, evaluating the City's property tax revenue processes and internal controls.

The results of the audit identified two low priority observations and corresponding recommendations related to:

- 1) Property Tax Procedural Documentation
- 2) Property Tax Completion Checklist

PROPERTY TAX PROCEDURAL DOCUMENTATION

LOW

Audit Recommendation: 1a.

Procedures should be documented for each property tax sub-process, in sufficient detail to facilitate staff training and provide guidance over standard operating procedures including swim lanes to outline roles and responsibilities around key tasks.

The documentation should reflect the key controls in place to ensure the effective operation of the process, especially in the event of staff attrition (i.e. departures or absences).

As a best practice, process documentation should be reviewed and updated on a periodic basis (at least annually) by City staff and the executive leadership team, in order to ensure continued accuracy, relevance and completeness of procedures performed by City staff.

Remediation Status: Complete

The City has updated its property tax revenue process procedural documents to include roles and responsibilities (i.e. swim lanes) and has also updated Property Tax Revenue procedural manuals to provide guidance and facilitate staff training.

PROPERTY TAX PROCEDURAL DOCUMENTATION

LOW

Audit Recommendation: 1b.

Policies and manuals should outline process owners or individual responsibilities for all significant processes. In accordance with the City's Corporate Policy Framework, policies and manuals should continue to be updated by relevant sponsors (i.e. Directors), reviewed by all Commissions/Departments affected by the policy/manual, and approved by the appropriate approving authority (as per the policy template) at least every five years or whenever significant changes to the documents are necessary, to remain relevant, current and support the achievement of desired objectives.

Remediation Status: Complete

The City has updated its Arrears Management Procedures and the Point of Sale ("POS") Terminal Manual to identify the roles and responsibilities of process owners and participants within the processes.

PROPERTY TAX COMPLETION CHECKLIST

LOW

Audit Recommendation:

A centralized checklist should be maintained to ensure all key control activities in each of the property tax sub-processes are consistently and completely executed.

Remediation Status: Complete

The City has prepared and implemented a centralized checklist which tracks the completion of the Property Tax revenue process key control activities. Management is currently completing the checklist for the 2017 property tax revenue cycle.

ACKNOWLEDGEMENT

MNP extends our appreciation to the staff and management of the City for their co-operation and assistance throughout the engagement.

