



May 25, 2010

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

Audit Report – Land Branch Revenue Collection System

In 2008, Robert Prosser & Associates Inc. conducted an audit of the Land Branch Revenue Collection System, as per the Corporate Audit Plan.

The Land Branch plans, services and sells residential, commercial and industrial lots owned by the City of Saskatoon. The branch consists of three sections, (i.e. Sales & Accounting section, an Urban Design Section and a Land Development section) each responsible for specific aspects of developing, servicing and selling lots. The Sales & Accounting section consists of four staff members, all of whom are involved in lot sales (residential and non-residential).

Residential lot sales for 2007 (\$58,923,050) increased 100% from 2006 (\$29,488,050) while non-residential lot sales increased 145% between those same years. Lot sales have shown a dramatic increase over the past few years, creating even more of a need to ensure proper controls are in place to mitigate the risks associated with those sales.

The objectives of the audit included determining whether adequate controls are in place and applied on a consistent basis to ensure:

- Complete, accurate and timely billing and collection of revenues, and
- Opportunities for theft, fraud or misappropriation of sales revenue and inventory are minimized.

Management is currently working on implementation of the recommendations.

Respectfully submitted,

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