

OFFICE OF THE CITY AUDITOR

REPORT

ATTRACTIONS AND RECREATION CENTRES GIFT CARD MANAGEMENT - DATA ANALYTICS AUDIT

FEBRUARY 9, 2026

Edmonton

Background

OVERVIEW

The City of Edmonton offers gift cards for attractions, recreation centres, and golf courses, redeemable across all city-managed sites and centres, including the Edmonton Valley Zoo and the Muttart Conservatory. Gift card transactions are managed through the City's recreation management system. Gift card sales are recorded as deferred revenue in the City's accounting system because the City has received payment but not yet delivered the goods or services.

PROCESS

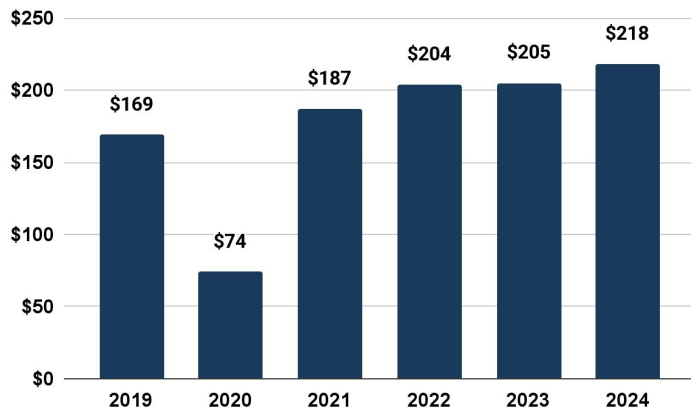
- Gift cards are available for purchase in any denomination and can only be purchased and redeemed in-person.
- Each physical gift card has a unique 5-digit reference number printed on the back of the card.
- To sell a gift card, a City employee enters the 5-digit reference number into the recreation management system and adds the requested value from the client.
- Customers must present the physical gift card for redemption against purchases at eligible City of Edmonton facilities.
- When a customer presents a physical gift card for redemption, a City employee will enter the 5-digit reference number into the recreation management system and apply the requested value to the transaction.
- Daily reports of gift card sales and redemptions within the recreation management system are exported to the City's financial accounting system.

Background

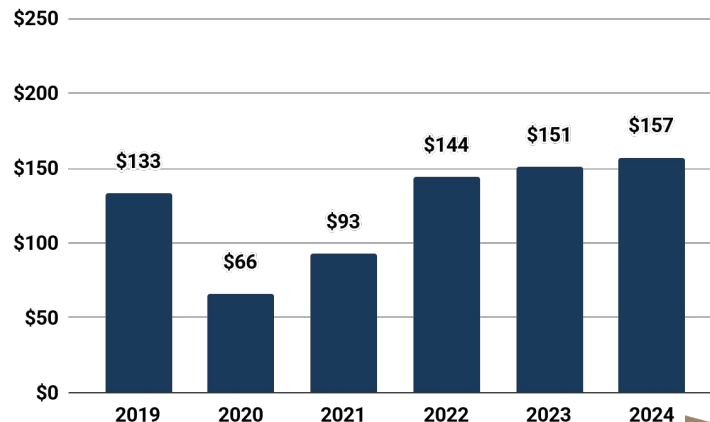
GIFT CARD TRANSACTION SUMMARY

- From 2019-2024, gift card sales totaled over \$1 million, with \$744,000 redeemed.
- As of October 28, 2025, the outstanding balance on all unredeemed gift cards was approximately \$760,000.

Total Amount Issued in Gift Cards (in thousands)



Total Amount Redeemed in Gift Cards (in thousands)



Audit Overview

AUDIT OBJECTIVE

To test whether key controls in the issuance and management of gift cards for attractions and recreation centres are working effectively.

CONTROL OBJECTIVES TESTED

- **Properly accessed:** access to gift card records is restricted to relevant information and employees with a valid business need.
- **Accurate and complete:** data in the gift card inventory management system is accurate and has all relevant fields.
- **Properly accounted** : gift card sales and redemptions are accurately recorded in the accounting system.

AUDIT SCOPE

Gift cards issued and managed by the City for attractions and recreation centres. Gift cards purchased by the City for employee recognition or other programs were outside the scope of this audit.

APPROACH

We tested the control objectives using data analytics. We flagged exceptional cases for further review by the Branch. We have also developed an internal dashboard with the results of the tests to support the Branch in ongoing monitoring. (See *Appendix 1 for more information on the dashboard*)

What We Found

Overall, the Community Recreation and Culture Branch partially met the objective of ensuring that controls in the issuance and management of gift cards for attractions and recreation centres are working effectively.

Control Objective	Summary of Findings	Data Analytics Outcome*
Properly accessed	<ul style="list-style-type: none">User access list is not actively maintained and that employees in unrelated business areas still have access.Access to gift card information is not restricted to relevant information.	1
Accurate and complete	<ul style="list-style-type: none">Integrity issues in the gift card reference number entered by employees. Since the gift card reference number is used for redemption, this may impact the redemption experience of citizens.	2
Properly accounted	<ul style="list-style-type: none">Gift card sales and redemption transactions in the recreation management system were properly accounted for in the City's accounting system.	



Met



Partially met



Not met

*Number shows corresponding recommendation for the control objective

Audit Recommendations

RECOMMENDATIONS TO THE COMMUNITY RECREATION AND CULTURE BRANCH

Recommendation 1 : Implement a formal access management plan that restricts access to gift card data to only relevant information and valid business need.

Recommendation 2 : Improve the data integrity of gift card reference numbers in the recreation management system to support proper redemption.

WHY IS THIS IMPORTANT

Restricting gift card data access to only users with relevant business need and restricting the level of gift card information will help reduce the risk of unauthorized access, including fraud. Having properly formatted gift card numbers in the recreation management system will improve citizen redemption experience and reduce the risk of fraudulent activities with gift card numbers by employees.

Recommendation 1 - User and Access Management

We found that access to gift card information is not restricted to relevant information. We also found that the user list is not actively maintained and that people who no longer have valid business needs are not removed from the access list.

Key Findings

- Access to gift card information is not properly restricted. Any user with access has complete access to the entire gift card inventory in the recreation management system, including all card numbers, issue dates, and values.
- The user list is not actively maintained. We identified 366 active user accounts belonging to inactive or terminated employees and another 134 active accounts belonging to employees in unrelated business areas (e.g., Waste Services, Parks and Roads, Fleet and Facility Maintenance Services) who no longer have a valid business need for access.
 - The recreation management system is not a cloud-based application and hence terminated employees would not be able to access it directly since their City accesses are cut off.
- We found 28 user accounts that have sold or redeemed gift cards but are not tied to any employees on the list of approved users.



366

terminated or inactive
employee(s) with gift card
access

134

employee(s) with gift card
access in unrelated
departments

28

employee(s) with gift card
access but no gift card access
role

Recommendation 1 - User and Access Management

Why this is important:

- Restricting the level of gift card information users can see to a single record instead of the full inventory will help reduce the risk of inappropriate access, including fraud.
- Restricting gift card access to only users with relevant business need will help reduce any risk of inappropriate access, including fraud.

Recommendation 1 - User and Access Management

Recommendation 1:

	Implement a formal access management plan that restricts access to gift card data to only relevant information and valid business need.
	Responsible Party Branch Manager, Community Recreation and Culture
	Management Response Administration will complete a full review of all active staff users in RAMS to ensure gift card access is provided only to active employees with valid, current business need. Additionally Administration will create a new procedure to ensure adequate controls are in place and monitored moving forward and will engage the third party vendor to explore potential enhancements that can be made to the software to limit access to gift card functionality.
	Implementation Date June 30, 2026

Recommendation 2 - Data Integrity

We found data integrity issues in the gift card reference number entered by employees. Since the gift card reference number is used for redemption, the data integrity issues may impact the redemption experience of citizens.

Key Findings

- Our analysis found that 14% of issued or redeemed gift card reference numbers (about 3,800) did not meet the required 5-digit format. The total issued value on these gift cards is about \$284,000.
- We found that 7% of gift card reference numbers contained non-numeric characters (alphabets, special characters). The total issued value on these gift cards is about \$175,000.
- We also found that 31 gift cards in the recreation management system have reference numbers that were outside the range of currently ordered physical gift cards.
- We identified instances of duplicate gift cards. There were 21 gift cards with mixed character gift card reference numbers that match another gift card when the non-numeric characters are removed.

28,003

issued or redeemed gift
card(s)

3,797

gift card(s) with incorrectly
formatted VoucherRefs

31

gift card(s) where
VoucherRef outside
inventory range

21

gift card(s) with duplicated
VoucherRef numbers

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Recommendation 2 - Data Integrity

Why this is important:

- Improperly formatted or out-of-range gift card reference numbers may prevent citizens from redeeming them.
- The ability for employees to enter improperly formatted gift card reference numbers, and then potentially redeem those same cards, creates an opportunity for fraudulent activities.
- Duplicate gift card reference numbers could lead to issues and frustration for citizens attempting to redeem their gift cards.

Recommendation 2 - Data Integrity

Recommendation 2:

	Improve the data integrity of gift card reference numbers in the recreational management system to support proper redemption.
	Responsible Party Branch Manager, Community Recreation and Culture
	Management Response Administration will engage the third party application vendor regarding their ability to implement more robust data validation rules within the software. Administration will develop targeted training for staff utilizing the gift card module focused on reducing keystroke errors and review and streamline processes related to character use to improve the data integrity of gift card numbers.
	Implementation Date March 31, 2027

Appendix 1: Internal Dashboard for Ongoing Monitoring

DASHBOARD

In order to support the Community Recreation and Culture (CRC) Branch in ongoing monitoring of gift cards, we have developed a dashboard with the results of our audit tests. The dashboard has a summary page with highlights of the tests conducted. The Branch can also see detailed information about the test results and follow up on specific transactions that have been flagged as needed. This dashboard has been fully automated and set to refresh weekly with new data.

A screenshot of the summary page is provided on the next page.

Screenshot of Internal Dashboard for Ongoing Monitoring

Summary

Click on a value to see gift card or transaction details



The dashboard has been colour coded to reflect themes in the audit test results

- Gift card reference number issues
- Card balance issues
- Data/recording issues
- User and access issues

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Last updated: 11/26/2025 3:07:05 AM

*flagged test, does not necessarily indicate something wrong

Note: VoucherRef is the unique 5-digit gift card reference number.

Appendix 2: Global Internal Audit Standards Requirements and Acknowledgement

AUDIT STANDARDS

We conducted this engagement in conformance with the Institute of Internal Auditors' Global Internal Audit Standards .

The Institute of Internal Auditors' Global Internal Audit Standards require us to report the significance and prioritization of our findings. This report contains all our significant findings and those that we deemed not significant, but that still support our recommendations. We prioritized each significant finding based on how important it is that management address the finding. This report contains only those significant findings that we prioritized as management must address, or should address.

ACKNOWLEDGEMENT

We would like to thank the staff in the Community Recreation and Culture Branch for their cooperation during this data analytics audit.