

# More than \$58,000 still unaccounted for at Mile One Centre

## City of St. John's can't say if money even exists

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The City of St. John's is not able to tell taxpayers who has the \$58,089 that is missing from the Mile One Centre books.

More to the point, the city's internal auditor can't say if there's stolen money, or if it comes down to an accounting error, after the discovery of "errors and omissions in the coding of accounted entries" for cash accounts and "weaknesses in the internal control structure" over a five-year period, from 2012 to 2016.

The Mile One Centre accounts have been getting a closer look since March, when the senior manager for finance and administration noticed differences in counts for the floats and petty cash — for the box office and food and beverage areas — and the amounts recorded in the general ledger.

After the finding was reported to the board of St. John's Sports and Entertainment, then to the City of St. John's, the city's internal auditor was called in. The internal auditor's office reviewed thousands of documents, including but not limited to log sheets, deposit slips, sales reports and accounting summaries.

"This detailed review of documents and discussion with management and staff has revealed numerous internal control weaknesses related to cash controls," reads a memo emailed to council by internal auditor Sean Janes on Sept. 22 — ahead of the municipal election on Sept. 26.

The memo was made public Monday night, as the audit update was tabled.

"These weaknesses relate to access controls, process controls and a general lack of management oversight of cash which will be further reviewed as the Office of the City Internal Auditor continues its work at Mile One Centre," Janes stated.

Changes are now being made in how money is handled at the stadium. Instead of counts of cash floats being reconciled with the general ledger at the end of the year, for example, they are now being addressed each month.

However, according to Janes, the way cash was being handled and accounted for in the past makes it impossible to definitively determine now if the roughly \$58,000 is here, there or anywhere at all.

The \$58,000 figure is at least less than the \$114,863.40 originally reported as missing. That number was brought down through the internal auditor's review work, addressing essentially where and how things were accounted for, although these edits couldn't account for everything.

Mayor Danny Breen introduced the auditor's update during the city council meeting, but there was no comment other than his.

The mayor said a final report on Mile One Centre with full recommendations is due in November. The city auditor is now working on new policies and procedures at Mile One, with some already in place.

"Our internal audit staff have found no evidence of any wrongdoing," Breen told reporters. "So at this point calling in the police wouldn't have done anything because they can't pinpoint there was any wrongdoing."

He said the release of the update shows transparency, while he committed to seeing the accounting issues raised to date addressed.

Apart from the St. John's Sport and Entertainment's financial management team, the accounting for Mile One Centre went to external auditors, with consolidated financial statements going to the City of St. John's.

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