

## ADMINISTRATION RESPONSE TO ATTRACTIONS AND RECREATION CENTRES GIFT CARD MANAGEMENT

### Data Analytics Audit

#### Recommendation

That the February 25, 2026, Community Services report CS03276, be received for information.

<b>Requested Action</b>	Information only
<b>ConnectEdmonton's Guiding Principle</b>	<b>ConnectEdmonton Strategic Goals</b>
<b>CONNECTED</b> This unifies our work and helps us achieve our strategic goals.	<b>Healthy City</b>
<b>City Plan Values</b>	ACCESS
<b>Corporate Business Plan</b>	Managing the corporation
<b>Council Policy, Program or Project Relationships</b>	N/A
<b>Related Council Discussions</b>	N/A

#### Executive Summary

- The Office of the City Auditor performed a data analytics audit on Gift Card Management in Community Recreation and Culture, focusing on controls within the Recreation and Attractions Management System (RAMS).
- The current RAMS system was implemented in 2019 and at that time, existing gift card related data was migrated to the new system from the legacy CLASS system.
- The objective of the data analytics audit was to test three key controls in the issuance and management of gift cards, including proper access (not met), accurate and complete data (partially met) and whether sales are accurately recorded (met).

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- Positive observations from the audit include that data in the gift card database was complete with relevant columns populated and sales and redemption records contained all relevant information about the transactions.
- Additional positive observations include a general alignment between RAMS and SAP gift card related transactions, the total variance between the two systems is less than five per cent, and the total outstanding balance in RAMS aligns with deferred revenue in SAP.
- The Office of the City Auditor issued two recommendations for Community Recreation and Culture to review and resolve, focusing on strengthening access controls and ensuring the data related to gift cards is accurate and complete.
- Community Recreation and Culture accepts the recommendations and will implement processes to address them as outlined in the report.

### **REPORT**

The City offers gift cards for its facilities, managed by the Recreation and Attractions Management System (RAMS) software - a licensed, commercial off-the-shelf, third-party product. RAMS is the primary point of sale system for all Community Recreation and Culture's services, including programs, bookings, rentals, memberships and golf, with 2025 sales totalling \$61 million.

From 2019 to 2024, 16,172 gift cards were sold, totaling over \$1 million. Of those, 7,035 were redeemed, totaling \$744,000. As of December 31, 2025 the outstanding balance of all unredeemed gift cards was approximately \$791,000.

Due to current software limitations of RAMS, gift cards are exclusively sold in person at the front desks of all City attractions, recreation and sports facilities and can only be redeemed in person. Online sales are not supported. Gift cards can be redeemed for any goods or services at these facilities, but cannot be used for online purchases, such as registered programs or memberships.

A low-volume workaround allows non-Edmonton residents to purchase gift cards through an invoiced, mailed and activated process. Online gift card sales are anticipated following a new software release in 2026.

Community Recreation and Culture adheres to the Government of Alberta's Consumer Protection Act, which outlines provincial requirements for all gift card sales in Alberta. These requirements include:

- **Expiry Dates:** Gift cards are not allowed to have expiry dates. If an expiry date falls on or after November 1, 2008, it is void, and the card will not expire until its entire value has been used.
- **Transparency:** The City clearly informs consumers of all terms and conditions on the use of their gift cards, printing them on the card or on any promotional materials in an easy-to-understand format.
- **Proof of Purchase:** The City provides a receipt to the buyer and prints its contact information directly on the receipt.

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- Partial Payments: The City accepts a gift card as partial payment for a purchase that exceeds the card's value. When a purchase costs less than the gift card's value, the remaining balance remains on the gift card and is not retained by the City.

The audit's main objective was to evaluate the effectiveness and efficiency of these internal controls over the management of the City's gift card program.

### Audit Recommendations and Administrative Responses

**Recommendation 1: We recommend that the Community Recreation and Culture Branch implement a formal access management plan that restricts access to gift card data to only relevant information and valid business needs.**

Administration accepts this recommendation.

Managers and supervisors currently request RAMS access for their staff by submitting a form through the Remedy Ticket System (Digital Work Place) prompting the Community Recreation and Culture RAMS team to grant the user access. While each access request is unique, the majority involve modifying an existing staff member's permissions.

Although 38 distinct roles have been defined within the system to correspond with organizational functions, comprehensive documentation for these roles is currently missing. This documentation is essential for correctly understanding and restricting permissions.

RAMS is a standalone software application that does not easily connect to other City systems, including the City's human resource management systems. Consequently, when an employee leaves the City or transfers to a new department, the standard corporate offboarding ticket removes access to primary City systems; however, it does not automatically remove access to RAMS. This means that hiring managers must manually remember and complete the secondary step of removing RAMS access for those employees who had it.

This technical gap has resulted in 371 active accounts for employees no longer with the City terminated employees and 134 for staff in unrelated business areas. Furthermore, 29 individuals were found to have processed transactions despite not appearing on the authorized access list. Because RAMS currently operates on an all-or-nothing permission structure for gift card data, any user with access can view all card numbers, issue dates and values.

In response to the audit recommendation, the Community Recreation and Culture branch will:

- Complete a full review of all active staff users in RAMS. This cleanup will ensure gift card access is limited to employees with a valid, current business need. During the review, we will address and remove the large volume of inactive and unrelated user accounts.
- Create a new procedure and a quarterly review. The new procedure will create a consistent quarterly manual review process to maintain staff user accounts, preventing a large volume of unrelated user accounts from accumulating again.
  - This will enable the City to monitor and control access via the new procedure, addressing shortcomings in the system integrations of the current solution. If there are

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further system refinements required, this would be in the form of a request to the vendor and a cost associated to the City.

- Engage the RAMS vendor to explore potential enhancements to restrict the level of gift card information users can view, aligning access with the specific business function required.
  - Increased functionality: dependent upon vendor's ability and willingness to address.
- Implementation Date: June 30, 2026.

### **Recommendation 2: We recommend that the Community Recreation and Culture Branch improve the data integrity of gift card numbers in the recreational management system to support proper redemption.**

Administration accepts this recommendation.

Under the current business process, Customer Service Representatives manually enter gift card numbers into RAMS at the time of sale. While standard operating procedures and centralized training checklists specify that gift cards should follow a sequential five-digit format, the RAMS application is a commercial off-the-shelf product with technical limitations that allow for the manual entry of any character string, including alphabets and special characters. Currently, the system does not issue a validation warning for numbers entered outside the designated inventory range, nor does it verify against the original sale record during redemption.

The audit identified that 14 per cent (2,264) of gift card numbers did not meet the five digit format and seven per cent (1,132) contained non-numeric characters. A portion of these relates to historical business decisions for specific areas. For example, the Royal City Soccer Club (RCSC), an Ontario-based non-profit with a long-standing relationship with the City, needed to provide its visiting teams with recreation access and a streamlined payment method. To achieve this, virtual gift cards were created with the RCSC prefix. The Royal City Soccer Club paid for these gift cards in full online via MoveLearnPlay. Visiting teams could then use the issued gift card numbers to access the City's recreation facilities.

Most discrepancies, however, are attributed to manual keystroke errors that are not checked or flagged by the system. Because RAMS does not currently have a manual fix or reconciliation process to correct a gift card number once the invoice is finalized, these improperly formatted cards remain in the system. Yet, less than 0.1 per cent (31) of gift cards had numbers outside the range of currently ordered physical gift cards. The current system carries an operational risk: a mistyped gift card number during redemption might fail to locate the record. A less frequent issue, affecting under 0.1 per cent of gift cards (22 instances), is the identification of duplicates after removing non-numeric characters. In total, 1,709 gift cards exhibit this anomaly. Of these, 783 are linked to client accounts, allowing staff to search by client name rather than card number. However, anomaly gift cards not tied to an account can cause customer frustration and reconciliation difficulties. To resolve this, the Community Recreation and Culture Branch is implementing system-enforced validation and improved staff training to reduce manual data-entry errors.

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In response to the audit recommendation, the Community Recreation and Culture branch will:

- Engage with the RAMS vendor to implement robust data validation rules at the point of entry to prevent the entry of improperly formatted, out-of-range or duplicate gift card numbers.
  - The goal of increased functionality is dependent upon the vendor's ability and willingness to address.
- Raise awareness and develop targeted training for the front desk staff. The awareness and training will aim to reduce keystroke errors. Additionally, awareness will be built regarding potential hardware malfunctions that may contribute to non-numeric character entry.
- Perform a process review to validate if the historical use of leading characters for specific business needs remains appropriate under current control requirements. The aim will be to streamline processes to improve the data integrity of gift card numbers.
- Implementation Date: March 31, 2027.

### **Community Insight**

Public engagement and/or research were not conducted for this report as it is related to internal administrative functions.

### **GBA+**

The GBA+ review confirmed that gift cards are a discretionary sale item and are not utilized for any subsidized access programs (such as the Leisure Access Program). The data integrity issues identified in the audit could create disproportionate service barriers for users with lower digital or financial literacy or for English Language Learners who may face difficulties advocating for a resolution at a customer service desk. The recommendations to implement mandatory data validation and improved staff training act as an equity measure, removing the burden of error correction from the customer and ensuring more consistent access for all patrons.

### **Environment and Climate Review**

This report was reviewed for environmental and climate risks. Based on the review completed, no significant interactions with the City's environmental and climate goals were identified within the scope of this report.