



MEMO / NOTE DE SERVICE

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TO: Transit Commission

DESTINATAIRE : Commission du transport en commun

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Le 27 avril 2023

FILE NUMBER: ACS2023-FSC-REV-0002

**SUBJECT: Use of Delegated Authority during 2022 by Revenue Services under the
Delegation of Authority By-law**

**OBJET: Exercice des pouvoirs délégués par les Services des recettes en 2022 en
vertu du *Règlement sur la délégation de pouvoirs***

PURPOSE

The purpose of this memo is to provide information to the Transit Commission regarding the use of delegated authority during 2022 by Revenue Services staff in the Finance and Corporate Services Department. The *Delegation of Authority By-law No. 2023-67*, Schedule “B”, Sections 22 and 23 outlines authority that Council has delegated to the Chief Financial Officer/City Treasurer, Deputy City Treasurer of Revenue Services, and other management staff within Revenue Services. This report provides details on the OC Transpo receivables accounts that the Chief Financial Officer determined in 2022 are uncollectible and written off.

BACKGROUND

The *Delegation of Authority By-law No. 2023-67*, Schedule “B” Section 22 and 23, outlines the various authorities that Council has delegated to Revenue Services management in the Finance and Corporate Services Department. The by-law contains full details, including specific titles of the positions with delegated authority and the limits imposed by the by-law. The list below summarizes the delegate authorities addressed in this memo.

- Write off general accounts receivable that the Chief Financial Officer/Treasurer or the Deputy City Treasurer, Revenue, has determined to be uncollectible.
- The Chief Financial Officer/Treasurer or the Deputy City Treasurer and the Program Manager, Collections and Cash Handling, individually are delegated the authority to approve, conclude, and execute repayment agreements on behalf of the City.

DISCUSSION

Section 22 - Write Off General Accounts

Revenue Services is responsible for collecting all accounts billed through the City's financial system, including transit fare media and other amounts owed for conventional transit services.

In 2022, the City invoiced approximately \$43 million in OC Transpo transit receivables, which include a variety of services such as charters, advertising and bulk sale of transit fares and single ride vouchers

Revenue Services makes every effort to collect all OC Transpo receivables due to the City of Ottawa. Revenue Services has implemented a rigorous collection process to follow up on outstanding account balances. The collection activities include telephone calls, notices, tax rolling unpaid amounts and partnering with three private collection agencies to collect outstanding balances. For reasons that are often beyond the City’s control, full or partial amounts due cannot be paid. Some of the reasons are death, bankruptcy, indigence, legal recommendation, expiry of the limitation period to commence a legal claim and administrative errors related to the billing.

All write offs are charged against the allowance for doubtful accounts (AFDA) for transit services and did not impact the 2022 financials.

Table 1 represents the authority exercised under Section 22 of Schedule “B” of the *Delegation of Authority By-law No. 2023-67*.

The list of amounts that have been written off in 2022 and the justification for writing off each item reported is on file and maintained by the Deputy City Treasurer, Revenue.

Table 1: Section 22 - Write Off General Accounts: Transit Write-Offs

Description	Amount (\$)
One Transit Account	\$255

The amount written off represents a collection rate of 99.99% of the total amount billed in 2022, one of the highest in the province.

Section 23 - Repayment Agreements

Revenue Services has implemented a rigorous process for follow-up, prescribed collection activities and partnered with three private collection agencies to collect outstanding balances. To reduce the City’s financial risk when the debt cannot be paid in full, the City enters into a formal repayment or extension agreement.

In 2022 no repayment agreements were executed for OC Transpo receivable accounts.

CONCLUSION

Should you have any questions about the exercise of delegated authority by Revenue Services in 2022, please do not hesitate to contact the undersigned.

Joseph Muhuni, Deputy City Treasurer, Revenue Services
Finance and Corporate Services Department, Revenue Services

CC: Cyril Rogers, General Manager and Chief Financial Officer (A), Finance and
Corporate Services Department