



CITY OF TAMPA

Pam Iorio, Mayor

Internal Audit Department

Roger Strout, Internal Audit Director

September 29, 2008

Honorable Pam Iorio
Mayor, City of Tampa
1 City Hall Plaza
Tampa, Florida

RE: On-Street Parking, Audit 08-10

Dear Mayor Iorio:

Attached is the Internal Audit Department's report on On-Street Parking, Audit 08-10

The Parking Division has already taken positive actions in response to our recommendations. We thank the management and staff of the Parking Division for their cooperation and assistance during this audit.

Sincerely,

/s/ Roger Strout

Roger Strout
Internal Audit Director

cc: Darrell Smith, Chief of Staff
Steve Daignault, Administrator of Public Works and Utility Services
Irvin Lee, Director of Public Works
Bonnie Wise, Director of Revenue and Finance
Jim Corbett, Parking Manager

**DEPARTMENT OF PUBLIC WORKS
ON-STREET PARKING
AUDIT 08-10
SEPTEMBER 29, 2008**

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/s/ Thomas Sanchez

Auditor

/s/ Roger Strout

Audit Director

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INTRODUCTION

On-Street Parking is a component of the Parking Division of the Department of Public Works. An excerpt from the Division's website describes the On-Street Parking Function:

The Parking Division manages on and off-street parking meters and controlled spaces which are located primarily in the Central Business District and Ybor City. Parking meter rates vary depending upon the location of the meter. Cost and enforcement information is displayed on each meter for reference.

Enforcement times for meters vary based upon their distance from the downtown's southern waterfront. The most Southerly meters can be enforced until midnight. Those on the most Northerly limit of downtown are enforced only until 6:00 p.m.

STATISTICS

Number of Parking Meters/Revenue Generating Spaces:

Meters in Downtown On-Street ¹ :	1,601
Meters in Downtown Metered Lots	171
Meters in Beach Metered Lots	329
Meters in Ybor On-Street	202 ²
Meters in Ybor Metered Lots	72
Pay and Display Spaces ³	<u>152</u>
Total	2,527

¹ There are a total of 2,276 parking spaces in the Downtown database, including metered, reserved, special use, and no parking spaces.

² At the direction of the Mayor, all On-Street meters in Ybor City were removed in April, 2008

³ Ybor lots #5 (73 spaces) and #6 (79 spaces)

STATEMENT OF OBJECTIVES

This audit was conducted in accordance with the Internal Audit Department's FY08 Audit Agenda. The objectives of this audit were to determine if:

1. Proper controls exist to ensure all meters are collected on a frequent basis and that the meter database is current and accurate.
2. Controls over cash collected from meters are effective.
3. Process for reserved parking spaces was reasonable.
4. Implementation and controls over Pay and Display Systems were reasonable.

STATEMENT OF SCOPE

Based on the work performed during the preliminary survey and the assessment of risk, the audit period will cover the operations of On-Street Parking from July 1, 2007, to June 30, 2008. Because the cash collection at the Off-Street metered lots is integrated with On-Street collection, they are included in this audit.

Source documentation was obtained from the Parking Division, Technology and Innovation, and the Department of Public Works Administration when appropriate. Original records as well as copies were used as evidence and verified through physical examination.

The scope of the new pay & display systems was limited to observation of collections and possible system control capabilities. Source documents were not available for testing. This will be addressed in the near future.

STATEMENT OF METHODOLOGY

The Downtown inventory of street parking spaces was obtained from Technology and Innovation. Sample spaces were drawn from a universe of approximately 2,276 Downtown spaces (including no parking, reserved, and special use) in 13 zones using a 90% confidence level and an acceptable error rate of 5%. In order to identify possible omissions from the database, all spaces on each block (on the same side of the street as the sample) were included. These were supplemented by judgmental sampling based upon observations.

Cash collections from meters were traced from collection/deposit documents to the posting in FAMIS. Video surveillance was reviewed and its usefulness as a control was evaluated. To achieve the audit's objectives, reliance was placed on computer-processed data contained in the City's financial system (FAMIS). This system has been determined in previous audits to be reliable and no additional work was necessary. The Division maintains a database of cash collections from meters. It was reconciled with FAMIS.

A sample month of meter rentals was traced from the meter rental database to the pre-numbered source documents. Judgmental sampling of large transactions was included to improve the overall efficiency of the audit.

STATEMENT OF AUDITING STANDARDS

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

AUDIT CONCLUSIONS

1. Controls are adequate to provide reasonable assurance that all meters are collected on a frequent basis. However, controls over the meter inventory could be improved.
2. Controls over collections from meters are reasonable. However, controls over collections once they are returned to Division offices could be improved.
3. The process over most reserved parking spaces is adequate. However, responsibility should be more clearly assigned for renewal of long term rentals.
4. Controls over the Pay & Display system should be strengthened. This will be monitored as the system is implemented.

PARKING DATABASE

The Parking Division has created a database to account for all downtown spaces, including metered, reserved, and special use spaces. Of the 2,275 spaces identified in the 13 Downtown zones, 1,530 of these are metered, and the balance are no parking, handicapped, reserved, or special use.

Our review of the database noted:

- Some metered spaces that are not actually metered.
- Some metered spaces found on the street that are not shown in the database as being metered.
- Several meters charging improper rates, including several meters with different rates on the same block.

RECOMMENDATION 1

The Parking Space database should be updated to reflect current spaces on the street. The database should be reconciled with actual spaces on a periodic basis.

AUDITEE RESPONSE

The Parking Division agrees with the recommendation. Upon the new Parking Administration taking office in 2005, the parking database was found to be in need of update. An update was performed by the Parking Operations Superintendent in January 2007 and shared with the City of Tampa Graphic Information System Division with the intent to reconcile the changes that had occurred during the 2004-2006 downtown development phase. Upon reconciling the database at such time, the Division failed to develop a procedure to add and delete any changes that were still occurring during the 2007-2008 period.

The Parking Division will establish a procedure from the Parking Operations Superintendent that instructs the Parking Equipment Maintenance Supervisor to make any changes on the street and report the space changes to the Parking Department Applications System Analyst. The Revenue Control Specialist will perform random quarterly checks to reconcile.

The Parking Division will be standardizing the meter rates by block and implementing two (2) on-street, meter permit parking zones during the fiscal year 2009. The database will be adjusted accordingly.

CONTROLS OVER COLLECTIONS

Collections from meters are made through a system that allows coins to be transferred directly from the meter coin canisters to locked carts. Collection Personnel do not have physical access to the coins. Due to the nature of the process, there are no source documents produced at the collection points. These controls appear adequate up to the point when the cart is unlocked in the counting room in Division Offices.

The carts are opened by the Collection Supervisor upon return to the counting room. Coins are machine counted and bagged in standard lots. The bank deposit is created using a form referred to as a "Collection Worksheet and Summary", which interfaces with a Microsoft Access® database. The worksheet also calculates postings to revenue and sales tax accounts for entry in FAMIS. Control is intended to be maintained because several Collection Personnel are present when the carts are opened and the money counted.

Dual Control

Dual control was not always maintained through the entire process. On a number of occasions, only one person was observed in the counting room, with the door closed⁴. All Collection Personnel are not always signing the worksheet.

RECOMMENDATION 2

Establish written procedures to assure dual control is maintained. This should require at least two personnel to remain in the counting room from the time the carts are unlocked until the deposit is complete. The collection worksheets should be signed off by two or more personnel.

AUDITEE RESPONSE

The Parking Division agrees with the recommendation. The Parking On-Street Supervisor will be assigned the task of establishing written procedures to assure dual control is maintained.

⁴ This was determined by review of video recordings described later.

CONTROLS OVER COLLECTIONS (continued)

Collection Database

We reconciled the database with FAMIS postings for the nine-month period ending June 30, 2008. There were a few differences, which we explored.

Documents prepared to support the deposit include a copy of the Collection Worksheet referenced above. We found several worksheets apparently had been changed and did not agree with the database. Also, one day's collection did not appear in the database. Additionally, the Division has not reconciled the database with FAMIS and was unaware of the differences. The Department System Analyst is exploring a program that would alert management if changes are made to the database.

RECOMMENDATION 3

- Assign responsibility to randomly reconcile Collection Worksheets, including backup materials, with the database, FAMIS, and supporting documentation to the Revenue Control Specialists. This would include assuring that the worksheets are properly signed off, which should reduce the opportunity for anyone to change the deposit while alone in the counting room.
- Proceed with developing a program that would flag any alterations or deletions in the collections database and alert management.

AUDITEE RESPONSE

The Parking Division agrees with both points relating to the recommendation. The Revenue Control Specialist will reconcile the Collection Worksheets, including backup materials, with the database, FAMIS, and supporting documentation.

The Parking Senior Department System Analyst will develop a program that will flag any alterations or deletions in the collections database and alert supervisors and management.

Video Surveillance

Video surveillance cameras record activity in the counting room but are not being monitored. The Department System Analyst is the only person who has access at this time. Also, the cameras do not provide full coverage of all relevant parts of the room. Based upon one of our observations, in which a person is seen entering the room with the lights off, (the Division represents that the observation we noted was legitimate), the Division has installed motion sensors to illuminate the room if there is any activity. Additionally, the Division is planning to add a third camera to the counting room.

CONTROLS OVER COLLECTIONS (continued)

RECOMMENDATION 4

- Provide video monitoring and assign responsibility to those independent of the counting process to randomly review recordings. Unusual activity or failure to maintain dual control should be noted and reported to management.
- Install a third camera as planned and aim all cameras for optimal coverage.
- Install a motion sensor to turn on lights when there is activity in the counting room.
- Consider accelerated scan of the video surveillance, similar to fast forward on VCR's.

AUDITEE RESPONSE

The video surveillance cameras are being monitored if a money counting issue is detected. The Parking Senior Department System Analyst, the Parking Operations Superintendent, and the Parking Division Manager have access at this time. The Division had been monitoring the effectiveness of the camera access and will add additional cameras for full coverage. Additional access will be granted to the Parking Chief of Security and the Parking On-Street Supervisor and the Parking Revenue Control Specialist. The Parking Division will assign random responsibility for monitoring the counting room activity to the Revenue Control Specialist and the On-Street Supervisor to ensure monitoring compliance. The motion sensor has already been installed and is fully operational. The Parking Senior Department System Analyst will look into the ability for an accelerated scan feature of the video surveillance.

Bank Deposit

The bank deposit was routinely left on the floor in the counting room awaiting pickup by the courier/armored car service. The deposits are bulky and heavy because they are mostly coins, and access to the counting room is controlled. However, there is some risk that can be better controlled.

RECOMMENDATION 5

Provide a secured container for the deposit pending pickup by the courier.

AUDITEE RESPONSE

The Parking On-Street Supervisor will be assigned the research task and implementation.

CONTROLS OVER COLLECTIONS (continued)

Beach Meter Revenue

Past practice has been to transfer revenues⁵ from the parking meters at Ben T. Davis beach to the Parks & Recreation Department. This has not been done since 2005, when \$31,558 was transferred. We have not found any documentation for this arrangement, or why it was terminated.

RECOMMENDATION 6

Evaluate the arrangement for transferring revenue from the meters at Ben T. Davis beach to the Parks & Recreation Department. A procedure should be documented and action taken, if appropriate.

AUDITEE RESPONSE

The Parking Division recognizes that there is no written agreement between the Parks and Recreation Department and the Parking Division. The Parking Division will request a meeting with the Department of Parks and Recreation to resolve the issue at hand.

RESERVED PARKING SPACES

Metered spaces can be reserved for various reasons such as weddings or trade shows. In most cases, there is a charge to offset the lost revenue. Meters are bagged to designate the space as reserved. The bag is tagged to indicate the time period that was reserved.

Major construction projects, such as condominiums, often span a lengthy time period and may require removal of meters and posts. Since there are no bags, the dates reserved and paid are not evident at the site. If the spaces are to remain reserved after the initial period, additional payment should be required. While it appears that payments are being made, controls should be strengthened including assigning responsibility to monitor renewals of these types of reserved spaces.

⁵ Less approximately 20% to compensate Parking for cost of collection and maintenance of the meters.

RECOMMENDATION 7

Division management should establish procedures for long-term reserved spaces and assign responsibility to monitor and bill appropriate parties if the spaces are to continue to be reserved.

AUDITEE RESPONSE

The Parking Division agrees with this recommendation. Prior to the new Parking Administration taking over, the Division had a procedure in place for monitoring long-term reserved spaces. As the Division is in the process of reviewing the written procedures, this procedure will be reviewed and re-implemented

DIVISION-WIDE POLICY AND PROCEDURES

Section 2-46 (a) of the City Code of Ordinances states:

Departments shall create and maintain all records with adequate and proper documentation of the organization, together with the functions, policies, decisions, procedures, and essential transactions, of the department.

Although written procedures exist for some functions, there is no Division-Wide Policy and Procedures documentation.

RECOMMENDATION 8

Establish Division-Wide Policy and Procedures Manual

AUDITEE RESPONSE

The Division agrees with this recommendation and has already begun the process of developing a standardized policy and procedures manual. To date, we have worked through the Administration procedures and a fair amount of the Garage Operations procedures. At such time, we are gathering information for Parking Security, Equipment Maintenance, Landscape Maintenance, and the On-Street Operations. We expect to have a solid, working copy completed in FY 09.