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Office of Internal Audit
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TO: Jimmy L. Morales, City Manager

FROM: Mark D. Coolidge, Interim Internal Auditor and Luis Medina, Auditor

DATE: January 23, 2019

SUBJECT: **ATTENDED LOTS OPERATIONAL QUARTERLY REVIEWS RESULTS SUMMARY**

The Office of Internal Audit (Internal Audit) conducted the following four (4) unannounced site visits to the specified attended municipal parking lots on the designated dates to assess the adequacy of the operating controls employed by the Parking Department plus to observe the actions of SP Plus Corporation (contractor) employees:

1. P71 lot located at 46th Street and Collins Avenue on Saturday December 16, 2017;
2. P71 lot located at 46th Street and Collins Avenue on Saturday March 31, 2018;
3. P1 lot located at South Pointe Park on Saturday June 30, 2018; and
4. P71 lot located at 46th Street and Collins Avenue on Saturday September 15, 2018.

The P1 and P71 lots were the only two (2) lots staffed by the contractor's employees during the 2017/18 fiscal year. Of the 241 parking spaces inside the P1 lot, the City's Parking Department rents 137 to the Smith and Wollensky Restaurant, another twelve (12) are reserved for lifeguards and there are seven (7) handicapped spaces thereby leaving only 85 spaces for which the attendants will collect money for. Meanwhile, the P71 lot contains 452 parking spaces, ten (10) of which are reserved for handicapped individuals, leaving a total of 442 parking spaces available for rent. Due to its larger number of available parking spaces, three (3) of the four (4) quarterly site visits performed were made to the P71 lot.

Internal Audit's procedures followed at each unannounced site visit are summarized below:

- a. secretly observe the contractor's employees for fifteen to thirty minutes to determine if they are acting as instructed;
- b. approach the staff members and to reconcile the collected monies less their change banks to the tickets issued;
- c. randomly review parked vehicles inside the associated lot to verify that they were legally parked by either paying for a valid permit, the Parkmobile pay by phone application, the attendants or the multi-space parking meters; and
- d. analyze the Parking Department's Enforcement Officer's (PEO's) corresponding actions taken and supporting documents provided.

The City's Information Technology Department had previously furnished Internal Audit with an iPhone containing the Parking Permit Search application used by the Parking Enforcement Division to facilitate determining whether the tested vehicles were legally parked. Further inquiries with Parking Department Administrative personnel found that the scanning of a questioned vehicle's license plate by a PEO is performed using the OmniPark handheld unit to determine whether a valid parking permit exists in the City's Parking Permit Manager System. Once the PEO determines whether a valid permit was purchased or not, a description providing the

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outcome of the scan is to be selected and entered into the OmniPark handheld unit. Descriptions provided in the Employee Activity Detail Report include: Notice Issued, Online Payment Advance to Notice, Online Payment Check, and Online Payment Found. If a valid parking permit is not found for the scanned license plate, the PEO enters a "Notice Issued" scan on the OmniPark handheld and issues a parking violation citation using the County's AutoCite X3 handheld unit. As Office of Internal Audit staff typically departed the lot prior to the PEO's arrival, there was no means to determine whether the customer paid the meter, exited the lot, etc. in the interim but various analyses were performed on their scans/entries into the two handheld units and any citations issued.

All results attained were timely forwarded to Parking Department management for their review and any needed corrective action after each quarterly assessment was completed. A summary of the findings identified by assessment are provided in the following paragraphs:

1. P71 Lot Reviewed on Saturday December 16, 2017

The observed contractor's employees were found to be operating as instructed and the counted monies reconciled correctly to the tickets issued to date. It was determined that nine (9) of eighty (80) vehicles randomly tested inside the lot, or 11.25%, were not legally parked as they did not have either a valid permit or pay either the Parkmobile pay by phone application, the attendants or the multi-space parking meters. As a result, the Parking Department's Enforcement Division was promptly notified and a Parking Enforcement Officer (PEO) was dispatched to the lot. A comparison of the Employee Activity Detail Report and the Citations Report found that six (6) of these aforementioned vehicles were scanned with the OmniPark handheld and were appropriately cited using the County's AutoCite X3 handheld by the PEO.

In addition, a closer analysis of the two (2) provided reports identified the following shortcomings:

- a. Thirty-four (34) citations were issued using the County's AutoCite X3 handheld unit; however, only one (1) license plate scan on the OmniPark Employee Activity Detail Report was marked as "notice issued". In theory, each vehicle's license plate that was issued a citation should also appear on the Employee Activity Detail Report.
- b. One (1) vehicle's license plate cited through the County's AutoCite X3 handheld unit was not found on the Employee Activity Detail Report. This vehicle was cited for parking improperly within the meter parking space but does not appear on the Employee Activity Detail Report to show verification for a valid permit.

When contacted, Parking Department administrative personnel advised that OmniPark is currently testing new handheld units with the City's PEOs and was further contacted to investigate whether the discrepancies were triggered by computer error or human error. An OmniPark representative advised that the workflow process on the device being tested was in the process of refinement and that human error was most likely the source of the discrepancies as no device errors were detected.

As a result, Internal Audit recommended that the Parking Department's Enforcement Division ensure that all PEOs are sufficiently trained on the workflow process of all handheld units used when fulfilling their enforcement duties and responsibilities.

Additionally, the Parking Department's Enforcement Division should certify that all activity scans reported are accurate and coincide with the Citations Report generated as a result of the PEO's activity. Lastly, PEOs should more closely check to verify whether disabled parking permits, displayed on patron's vehicles, have expired.

Parking Department's Response:

The OmniPark Samsung Galaxy Unit was a test unit that has been returned; therefore, the incidents mentioned above will no longer be an issue. In addition, the County's new equipment that has already been implemented in other cities and it is just a matter of time before the City of Miami Beach will be using this equipment. This equipment will have the ability to report the differences between the scans and citations. The Enforcement Officers do verify expired handicap permits and issuing violations accordingly.

2. P71 Reviewed on Saturday March 31, 2018

Reconciliation of a contractor's revenue collector's cash sales revealed a shortage of \$8.00. Subsequent inquiries with the revenue collector in question and their supervisor resulted in the revenue collector admitting to taking the monies. Although the questioned contractor's supervisor stated that any cash shortages found at the end of the business day would be paid by the revenue collector out of their own personal monies, the revenue collector was subsequently terminated.

Two (2) of twenty (20) citations issued using the County's AutoCite X3 handheld unit were not scanned using the OmniPark Intermec license plate reading handheld unit. A payment transaction existed for one (1) of the two (2) citations issued without scans but not for the other.

Thirty-five (35) vehicle license plates were identified in the manually written no charge logs. These logs are maintained for City residents opting to either pay the resident discounted flat rate of \$6.00 or to pay the master meters. The contractor's revenue collectors are to enter each vehicle's information into the payment transaction system even though which are concurrently recorded on the no charge log. A comparison of the no charge logs to the payment transactions entered for one revenue collector identified the following discrepancies:

- a. Eight (8) vehicle license plates manually written in the no charge logs were mistakenly not entered in the Parking Department's payment transaction system.
- b. One (1) vehicle license plate found in the no charge log paid the standard non-resident rate of \$20.00.
- c. Five (5) of the tested resident transactions entered in the Parking Department payment transaction system were not found in the no charge logs.

It is important that these no charge logs be as accurate as possible since it could result in inaccurate revenue collector's entries whereby the resulting difference in monies could be misappropriated. Lastly, a column should be added in the no charge log to capture the customer's furnished driver's license number so that Parking Department Administrative personnel can periodically confirm Miami Beach residency using the State of Florida's Department of Highway Safety and Motor Vehicles' Driver and Vehicle Information Database (DAVID) and that the lower rates charged were justified.

Parking Department's Response:

As soon as the Parking Department heard about the incident at the P71 lot, the contractor was asked to remove both employees from the City contract. The Parking Department only uses the license plate as a form of verification; the information is obtained when the resident applies for resident permit parking. In addition, it is worth mentioning that in the near future the P71 lot will no longer have attendants working for any log up keep or resident verification. The lot will be 24 hours/7 days a week Park Mobile or Pay Station with parking enforcement at all times.

3. P1 lot Reviewed on Saturday June 30, 2018

Seven (7) of the 56 vehicles randomly tested inside the P1 lot, or 12.50%, were deemed not legally parked so a Parking Operations Supervisor was notified to send a PEO. Upon request, three (3) Parking Department Enforcement's daily reports were sent by e-mail to Internal Audit which consisted of an Employee Activity Detail Report detailing scans performed by one (1) Parking Enforcement Officer (PEO) using the older OmniPark Intermec license plate reading handheld device (OI) and another of the PEO using the newer Samsung Galaxy unit (Samsung) plus two Citations Reports, one for each PEO, listing the citations issued by the assigned PEO using a Miami-Dade County (County) Parking Violations Bureau AutoCite X3 Series handheld unit.

Concerning the aforementioned seven (7) vehicles, a comparison of the corresponding Employee Activity Detail Report with the Citations Report identified the following:

- One (1) vehicle was found to have been appropriately scanned with the older OI handheld device and cited using the County's AutoCite X3 handheld by the PEO.
- One (1) vehicle had not properly paid at the time of our testing; however, the possibility exists that the owner of this vehicle paid either the master meter, Parkmobile or the attendants after our test had occurred. Furthermore, the license plate of this vehicle was scanned with the older OI handheld device and a description indicating "Online Payment Check" was found in the provided Employee Activity Detail Report which only shows that the license plate was reviewed. No other scans (Online Payment Found, Online Payment Advance To Notice, Notice Issued, etc.) were found on the provided report to show the results of this review. Despite this uncertainty regarding whether the vehicle was legally parked, the PEO did not re-scan this vehicle and the vehicle was not cited.

A review of the remaining Employee Activity Detail Report scans by the two (2) assigned PEOs to enforce the P1 lot found an additional seventeen (17) enforcement scans whereby "Online Payment Check" was the only entry listed as there was no outcome stated. These scans without a listed outcome were found on both PEOs reports as they were not limited to just one handheld device. The PEO using the older OI handheld device's report contained three (3) instances whereas the other PEO using the newer Samsung handheld device had fifteen (15) for a total of eighteen (18).

Parking Department administrative personnel provided an August 2, 2018 email from the Parking Enforcement Officer who used the older OI handheld device that stated that he had experienced "issues" with the unit and that he had documented this fact on his daily activity report sheet. However, review of this daily activity report did not find any notations about any problems incurred.

Parking Department Administrative personnel also stated that the only known reasons that the three (3) license plate scans could have remained incomplete on the OI device is that either the PEO canceled the scan or the device unexpectedly turned off and rebooted during the license plate scan. Despite their best efforts, the root cause could not be determined.

The Parking Department's current standard operating procedures require that staff promptly report any problems with OI devices to management. As none were reported with this device, they assumed that none had occurred and it was subsequently re-issued to other PEOs.

Corresponding inquiries with Parking Department administrative personnel about the same issues experienced with the newer Samsung handheld device found that the most plausible explanation is that steps were missed in the device's application workflow process; however, the underlying cause could not be determined. This workflow process discrepancy was previously mentioned in the attended lot monitoring review performed on December 16, 2017.

Internal Audit recommended that the Parking Department's Enforcement Division ensure that all PEOs are sufficiently trained on the workflow process of all handheld units used when fulfilling their enforcement duties and responsibilities. Additionally, the Parking Department's Enforcement Division should certify that all activity scans reported are accurate and completed with a secondary scan (Notice Issued, Online Payment Advance to Notice, Online Payment Check, and Online Payment Found). PEOs should also sufficiently document all instances whereby the handheld devices are not working properly to provide better evidence for Parking Department Administration to determine the root cause. Lastly, PEOs should ensure that all vehicles parked within their assigned areas are scanned, cited if a valid permit does not exist for the vehicle, and provide a secondary scan documenting the outcome of said license plate scan.

Parking Department's Response:

The OmniPark Samsung Unit was a test unit and has since been returned. As previously mentioned, the Parking Department is waiting for the new handheld from the county. All Enforcement Officers are reminded at roll call to let their supervisor know of any performance issues with the equipment.

4. P71 lot Reviewed on Saturday September 15, 2018

Three (3) of the fifty (50) vehicles randomly tested or 6.00% were deemed not legally parked so Internal Audit notified the on-site Parking Enforcement Officer (PEO) of our observations in which he subsequently patrolled the lot. Our analysis of the reports provided by the Parking Department of all enforcement scans performed at the P71 lot, and all citations issued in the City on September 15th using the Miami-Dade County (County) Parking Violations Bureau AutoCite X3 Series handheld unit, showed the following:

- a. A combined 27 "notice issued" scans were completed by three (3) different Parking Enforcement Officers (PEOs). Of these scans, a total of twenty-four (24) citations were issued. Inquiries found that differences can exist as the PEO may not have initially observed a disabled persons parking permit, an existing parking citation on

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the windshield of the vehicle, the vehicle operator may have arrived, the incorrect license number was entered, etc.

The OI handheld device used does not allow a user to cancel a “notice issued” scan. Furthermore, it does not provide the PEO the option to compose and attach a note or a comment to a scan to explain why the vehicle was not cited. Therefore, no known conclusions can be reached regarding the actual reasons for the differences.

Internal Audit’s testing did determine that one (1) vehicle was cited twice within four (4) minutes by the same PEO for violations of the same City Code section. Parking Department Administrative personnel reasoned that this could happen when a parked vehicle occupies more than one space but there was no means to verify this statement as the body cameras worn were not activated when issuing this citation contrary to departmental procedures.

Next, they provided a screenshot of a citation appeal for the duplicate detected which was submitted by the PEO. The provided screenshot of the citation appeal shows that a hold was placed on the citation by Miami-Dade County as of October 1, 2018. As of November 21, 2018, a review of the Miami-Dade County Parking Violations Online System showed that one citation was paid, and one remains active and eligible for payment.

- b. Three (3) “notice issued” scans were completed for a vehicle (two (2) for time expired, Miami-Dade County Code Section 30-378(c) and one (1) for parking in a restricted zone, Miami-Dade County Code Section 30-388.25) each by a different PEO at various times during the day. Questioned Parking Department administrative personnel stated that the PEO that issued the second citation for time expired, stated that the previously issued citation was not present on the vehicle’s windshield when he scanned the license plate, but once again there is no known means to confirm this statement.
- c. A PEO issued citations to six (6) vehicles incorrectly referencing Miami-Dade County Code Section 30-388.25 titled “*Restricted parking zones, use*” instead of the applicable Miami-Dade County Code Section 30-378(c) for time expired. As a result, the vehicle owner was mistakenly issued a \$23 citation instead of the proper \$18 citation according to questioned Parking Department administrative personnel.

Lastly, two signs located at the entrance of the P71 lot provide some conflicting or different information. The first sign (see below) provides general information about the P71 lot and states “PAY TO PARK 8AM – 6PM/Everyday”. Meanwhile, the second sign provides the attended lot fees charged by the City but does not provide the days and times that these fees are applicable.

First Sign



Second Sign



A third sign, located above the second sign, incorrectly references information only applicable to City parking garages, per Ordinance No. 94-2915, City Code Section 106-117 as shown below.



Internal Audit recommended that OmniPark and/or Samsung be contacted to determine if notes or comments could be added to explain why a citation was not issued after the PEO completed a “notice issued” scan. Moreover, it should be determined whether the vehicle cited twice was correct or not so that the necessary actions can occur. Additionally, the Parking Department’s Enforcement Division should ensure that the PEO who cited vehicles incorrectly is sufficiently trained on the City Code sections referenced when fulfilling their enforcement duties and responsibilities. The Parking Department should also revise the conflicting information provided on the signs located at the entrance of the P71 lot.

Parking Department’s Response:

The Parking Department will look closer into the signs. As mentioned previously, the OmniPark Samsung unit was a test unit and it has been returned. In addition, it is worth mentioning that in the near future, the P71 lot will no longer have attendants manning the lot. It will be 24 hours/7 days a week Park Mobile or Pay Station with parking enforcement at all times.

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