



MIAMIBEACH

BUDGET AND PERFORMANCE IMPROVEMENT
Internal Audit Division

INTERNAL AUDIT REPORT

TO: Jorge M. Gonzalez, City Manager
VIA: Kathie G. Brooks, Budget and Performance Improvement Director
FROM: James J. Sutter, Internal Auditor

DATE: January 30, 2009
AUDIT: 2008 Boat Show Parking Controls Audit
PERIOD: February 14, 2008 through February 18, 2008

This report is the result of a regularly scheduled audit of the attended parking operating controls in effect during the 2008 Miami International Boat Show.

INTRODUCTION

Internal Audit made unannounced site visits to the attendant parking operations at various City park and ride garages and lots during the 2008 Miami International Boat Show. The purpose of these observations was to assess the adequacy of the attended parking operating controls employed by the Parking Department and to review the actions taken by Standard Parking (Contractor) employees.

During the Boat Show, attendant lot customers had the option of paying the special event flat fees or using the installed parking meters. The entrances to these sites were manned by two or more contracted labor parking attendants. Others with valid decals, permits, access cards, etc. in which monies were not collected were also allowed entry based on availability.

Written standard operating procedures for Special Events, Cashiers and Supervisors, as prepared by the Parking Department's Operations Manager, were available for review. The following general procedures were employed during the Boat Show:

Upon entering the garage or parking lot, the vehicle driver is charged a flat fee of \$15.00, \$10.00 or \$5.00 depending upon the location of the facility. The parking attendant collects and retains the parking fee on his or her person, places half of a pre-numbered parking ticket on the vehicle's dashboard so that the ticket is clearly visible from outside the vehicle, and retains the other half. (The date of sale is stamped on each parking ticket; the fee amount is pre-printed on all tickets, and the vehicle license plate number is noted on both ticket and stub.)

City employees and others with authorized parking decals or permits are permitted to park without charge in the facilities with revenue control equipment; the attendant allows the vehicle to enter and does not issue an event ticket, but does utilize a spitter ticket.

Parking attendant supervisors conducted cash pick-ups every two hours or more frequently if notified by radio by the facility attendant. The cash collections were taken to the 42nd Street Garage office or the 17th Street Garage office and placed in the drop safe. Parking attendant shift reports were completed by the ticket sellers at the end of their shift. The cash, ticket stubs, and unused ticket books must balance, as the contracted labor firm is responsible for any shortages. City Parking and Standard Parking Supervisors performed random, surprise field audits throughout the boat show where sold tickets were agreed to the cash collected by each cash attendant, and parked vehicles were surveyed for compliance.

Internal Audit Report
2008 Boat Show Parking Controls Audit
January 30, 2009

Gross revenues including sales taxes were as follows from the past four Miami International Boat Shows:

Year	Amount *
2005	\$175,223
2006	\$174,489
2007	\$172,108
2008 **	\$204,243

* These amounts do not include revenue from the rental of the Preferred Lot, or from the surrounding parking meters.

** The listed gross revenues were impacted by the raising of special event parking rates by \$5 in selected garages and lots through the recent passage of Ordinance Number 2007-3579.

OVERALL OPINION

Providing sufficient parking for the 2008 Miami International Boat Show is a daunting and formidable task due to the loss of available spaces from the construction in the surface lots behind City Hall and to the east of the 17th Street Garage by the New World Symphony, the volume of attendees and their desire to park close to the event rather than take advantage of shuttles to transport them to and from the Boat Show, etc. Operational controls and procedures were noted to be in place and functioning fairly well for the tested attended garages and lots' thereby helping make the event's parking more manageable. Even so, a number of circumstances were noted and are detailed in the following findings whereby implementing the recommended corrective action should result in better customer service as well as increased revenues for the City in future events.

OBJECTIVES

1. Confirm that the Parking Department has updated detailed policies and procedures for special events that are known and enforced.
2. Confirm that tested attended garages and lots are properly staffed by trained, courteous professional individuals in agreement with Parking Department approved scheduled hours and positions.
3. Confirm that Parking Enforcement periodically walks through the tested garages and lots issuing citations as warranted.
4. Confirm that proper operating controls are in place and that sufficient, organized documentation is maintained to help ensure that all received revenues are properly reported.
5. Confirm that revenues from Boat Show parking sales are properly deposited into the City's bank account and timely recorded in the City's Financial System.

FINDINGS, RECOMMENDATIONS, AND MANAGEMENT RESPONSE

1. Finding: Parking Lot Analysis Exception Rate
Internal Audit conducted fourteen random site visits to all ten attended parking facilities during the course of the Boat Show, including two of the revenue controlled facilities that accept access cards. It was verified at each facility that such departmental policies and procedures were being followed as the posting of the rate at the entrance, the stamping of

Internal Audit Report
 2008 Boat Show Parking Controls Audit
 January 30, 2009

the correct date and fee on each ticket and the performance of regular cash pick ups. For the facilities without revenue control equipment which cannot accept access cards, an additional step performed was to verify that each vehicle had an authorized permit, decal, a meter with time on it, or a current ticket on the dashboard. (It was not practical to do this at the access card facilities since a large number of the vehicles found therein had entered utilizing access cards and would skew the results of the audit procedure.) The results of the testing at the facilities without revenue control equipment are as follows:

Date & Day	Facility	Sample Size	Ticket, Decal, Meter, Hang Tag, Citation	Exceptions Noted	Exception Percentage
2/14/08 THU	21 st & Collins Ave 6B SOUTH	97	95	2	2.06%
	23 rd & Collins Ave 6B NORTH	89	84	5	5.62%
2/15/08 FRI	27 th & Collins Ave 20X	74	70	4	5.41%
	34 th & Collins Ave 16D	38	35	3	7.89%
	35 th & Collins Ave 16E	76	69	7	9.21%
2/16/08 SAT	46 th & Collins Ave 19X	105	95	10	9.52%
	53 rd & Collins Ave 19B	90	85	5	5.56%
	64 th & Collins Ave 18A	50	48	2	4.00%
2/17/08 SUN	21 st & Collins Ave 6B SOUTH	45	41	4	8.88%
	35 th & Collins Ave 16E	24	21	3	12.5%
	46 th & Collins Ave 19X	49	45	4	8.16%
	53 rd & Collins Ave 19B	50	48	2	4.00%
TOTALS		787	736	51	6.48%

On average, approximately 6.48% of parked vehicles did not have authorized permits, decals or tickets properly placed on their dashboards or time remaining on the meter at the attended facilities without revenue control equipment. Some of these exceptions may have opted to pay the parking meters instead of purchasing event tickets, but had not kept current, thereby resulting in expired meters. These vehicles had no citations present. The current average exception rate of 6.48% is higher than the rate of 4.68% noted in our previous audit of the 2005 Boat Show. The previous audit figures were restated to follow the same logic chosen for this year's calculations.

Recommendation(s):

The implementation of the following recommendations prior to next year's event should help improve parking enforcement:

- a. Special Events policies and procedures should be reiterated to all contracted personnel.
- b. The Parking Enforcement staff should more actively monitor the Special Event parking lots since entrants are given the option of paying the meters or purchasing a flat fee event ticket. This practice should help eliminate those drivers who are

Internal Audit Report
2008 Boat Show Parking Controls Audit
January 30, 2009

- attempting to "beat the system" by opting to pay the meters, and then inserting only a minimal amount, because enforcement is not as strict as it should be.
- c. Parking attendants should better communicate with Parking Enforcement staff as to the need to issue citations to parked vehicles inside their restricted area including those appearing on the Inventory Listings (a document recording all vehicles parked inside the area prior to the attendants' arrival).

Management Response:

The Parking Department's response is as follows:

- a. Agreed.
- b. Agreed.
- c. Parking attendants can only communicate to City Off-street Supervisors via two-way radio. City supervisors in turn request assistance from On-Street Parking Enforcement. We will reiterate and document said calls for service/assistance.

2. Finding: *Shortcomings Affecting More than One Tested Garage/Lot*

The following situations were noted in the course of our testing and observation:

- a. Attendants were not documenting the facility name and code on the first ticket stub of each book, which makes for confusion when the tickets books are returned and reissued to another facility. In addition, attendants were not clearly writing their names on the first spitter ticket of the bundle for their shift, making it difficult sometimes to match up the tickets to the shift report.
- b. The Returned/Destroy Book Log form did not always accurately reflect the returned ticket book numbers located inside.
- c. The Parking Department did not maintain a centralized inventory record indicating which ticket number sequences were received from the manufacturer for each denomination, which were used by the attendants, their present location, etc.
- d. Additional observations were noted at individual attended lot locations during our audit. These observations are included in Exhibit 1 of this report along with recommendations suggested to improve the scheduling of attendants, reinforce training in regards to attended lot procedures, improve communications between attendants and supervisors and increase signage at the lots.

Recommendation(s):

The implementation of the following recommendations prior to next year's event will help increase revenues for the City and improve the customer service:

- a. The facility name and Parking Department garage/lot code (ex. 2G or 16D) for where the special event ticket book is being used should always be noted on the first ticket stub in order to avoid confusion. In addition, each attendant should clearly note their name on the first spitter ticket in the bundle for their shift in order to facilitate review of tickets and shift reports.
- b. The Parking Operations Manager should confirm the accuracy of the Returned/Destroy Book Log form before the deposit bags safeguarding the ticket books are sealed.
- c. A centralized inventory record should be maintained to help ensure that all tickets are properly accounted for, to know when to order additional tickets, etc.
- d. Observations should be used to improve attended lot operations for next year's event.

Internal Audit Report
2008 Boat Show Parking Controls Audit
January 30, 2009

Management Response:

The Parking Department agrees with the findings and recommendations above. In addition, the Parking Department shall acquire a stand alone personal computer dedicated to the inventory of tickets received and used.

3. Finding: *Shared Office Space*

Standard Parking shares an office with the Parking Department on the ground floor in the 17th Street Garage. Consequently, there is little privacy as all are familiar with each other and their duties.

Problems can also arise in the safeguarding of City assets. For example, a 02/25/08 unannounced site visit found only Standard Parking employees present in the shared offices. The Parking Department's safe was left unlocked which contained undated parking tickets and the date stamp among other similar items. Similarly, the ticket log forms were also not properly secured. The accessibility of these items by unscrupulous individuals could allow for sound internal controls to be circumvented and misappropriated monies and/or assets going undetected.

Recommendation(s):

Parking Department management should research alternatives to having the two parties share office space as it could lead to internal control breakdowns.

Management Response:

The Parking Department will enhance CCTV coverage in the office and dedicate a specific camera to record the safe and its valuables in the unlikely case that the safe is inadvertently left open. In addition, the dynamics of this operation though cramped provides greater hands on oversight and control by sharing this space as opposed to being at two separate locations.

EXIT CONFERENCE

Findings and recommendations were discussed at an exit conference held on December 18, 2008. Participants included Saul Frances (Parking Director), Chuck Adams (Assistant Parking Director), Miguel Beingolea (Parking Operations Manager), Rocio Rodriguez (Financial Analyst III), James Sutter (Internal Auditor) and Fidel Miranda (Auditor). Management responses were received on 12/29/08 via e-mail and the audit report was issued shortly thereafter. All were in agreement as to the contents of this report.

JJS:mc:fm

F:\obpi\AUD\DOC07-08\REPORTS - FINAL\BOAT SHOW 08 RPT.doc

(Audit performed by Mark Coolidge and Fidel Miranda)

cc: Robert C. Middaugh Jr., Assistant City Manager
Saul Frances, Parking Department Director
Chuck Adams, Assistant Parking Director
Patricia Walker, Chief Financial Officer

Internal Audit Report
 2008 Boat Show Parking Controls Audit
 January 30, 2009

Exhibit 1 - Other observations noted during our Audit by date and by location.

DATE	OBSERVATION	RECOMMENDATION
2/14/08	17th Street Garage (2G) visited from 1:15pm till 2:30pm	
1	Excess personnel were scheduled and some attendants visibly had little to do. For example, we found a traffic attendant passively standing at the southeastern corner deferring to a Parking Enforcement officer also stationed there who was observed helping customers. Similarly, two sellers tried to keep busy by helping the traffic attendant stationed at the garage's 17 th Street entrance.	Staffing levels should be closer reviewed for next year's event as fewer personnel may be needed, especially with customer's using the recently installed pay stations and the assistance of Parking Enforcement personnel at various entrances/exits.
2	Several questioned traffic attendants did not have radios to communicate with other lots as to their availability of parking spaces so as to better direct customers.	Traffic attendants should have radios to communicate with other lots to determine the availability of parking spaces in other garages and lots.
	21st Street and Collins Avenue (6B South) lot visited from 2:45pm till 3:45pm	
3	Nearby hotel guests who purchased hang tags were repeatedly upset when they were not guaranteed parking inside the lot and were turned away because the nearby lots were full.	Hotel staff should inform guests purchasing hang tags that parking space availability is limited to first come first served.
4	A recently hired seller was initially handing the customer's their purchased tickets rather than correctly placing them on the dashboard. He also was unsure about the validity of ins and outs but at least he said that he would check first with his immediate supervisor before allowing entry.	New contracted employees should be better trained in proper procedures before they begin working.
5	The packet received from the Parking Department describing the lot, valid decals, etc. was actually for the 42 nd Street Garage and therefore was not useful.	The Parking Department should ensure that the issued packet describing the lot, valid decals, etc. is correct for that lot
	23rd Street and Collins Avenue (6B North) lot visited from 3:50pm till 4:45pm	
6	Although the lot was clearly visible from Collins Avenue, the entrance in the northeastern corner by a construction site was difficult to find and lacked signage.	Signage should be displayed informing customers how to gain access to this lot. Furthermore, 6B South lot attendants should be in frequent communication with this nearby lot to direct customers looking for parking to its entrance.
7	The current seller complained that she was not granted her thirty minute break despite working more than an eight hour shift.	Contracted workers should receive their designated breaks in accordance with laws and regulations
8	A large white Ford F-250 occupied two spaces despite purchasing only one \$15 flat fee event ticket. The attendants questioned were unaware of the need to charge per parking space and not per vehicle.	Lot attendants should charge per parking space and not per vehicle so that any large vehicles occupying additional spaces should be charged accordingly.

Internal Audit Report
 2008 Boat Show Parking Controls Audit
 January 30, 2009

DATE	OBSERVATION	RECOMMENDATION
9	Three tested tickets at the 6B North lot were positioned face down on the vehicles' dashboards so that their validity could not be determined.	Lot attendants should always place purchased tickets face up on the vehicle's dashboards to facilitate determining their validity.
2/15/08	<i>27th Street and Collins Avenue (20X) visited from 9:15am till 10:15am</i>	
10	Attendants were overheard mistakenly informing a customer that purchased tickets were valid for 24 hours from the time of purchase. Internal Audit and Parking Enforcement both pulled the attendants aside and properly instructed them.	Attendants should be properly trained prior to working the Boat Show or other City events. If they are unsure of any answers, they should call a supervisor on the radio for clarification before acting.
11	Conversations with a Parking Enforcement officer revealed that he typically does not give citations to vehicles with valid decals lying on the dashboard rather than affixed to the window unless seen routinely. This practice varies from the stated policies and procedures that should be enforced according to the questioned Parking Operations Manager.	Parking Enforcement officers should uniformly issue customers' citations if their decals are not permanently affixed to vehicles' dashboards.
	<i>35th Street and Collins Avenue (16E) lot visited from 11:45am till 12:30pm</i>	
12	The "lot full" sign is positioned at the lot's entrance by a dead end making frustrated customers navigate three point turns in narrow surroundings after being denied parking.	If possible, the lot full sign should be positioned on the corner of Collins Avenue to prevent frustrated customers from having to make difficult three point turns in narrow surroundings after being denied parking.
13	The seller did not use the pre-numbered sequential ticket books in the correct order from lowest to highest.	Ticket books should always be used in sequential order starting with the lowest numbered ticket.
14	The traffic attendant said that he was not initially aware of the need to cordon off the lot's other entrance/exit points. Management later corrected the omission and all egress points were properly secured upon our arrival.	Lot attendants should be properly trained as to their job duties before being placed on the job site.
15	The lot was mistakenly oversold and one vehicle was allowed to illegally park by the curb rather than refund the customer's monies and have him/her search for parking elsewhere.	In lieu of available parking spaces, incorrectly sold tickets should be refunded rather than allowing customers to park illegally.
2/16/08	<i>42nd Street Garage (8A) visited from 9:00am till 10:15am</i>	
16	A seller would correctly place the purchased ticket on the vehicle's dashboard but then she made the confused customer drive slightly forward and pull the spitter ticket on his/her own to gain access. This practice differed from the attendants' actions at the garage's western entrance.	Lot sellers should facilitate entry for paying customers by personally place the purchased Boat Show tickets and spitter tickets on vehicles' dashboards.
17	The seller at the western entrance was incorrectly handing the purchased tickets to the customers rather than placing them face up on the vehicle's dashboard. Internal Audit told him of his mistake and it was quickly corrected.	Lot sellers should facilitate entry by paying customers and personally place the purchased Boat Show tickets and spitter tickets on vehicles' dashboards.

Internal Audit Report
 2008 Boat Show Parking Controls Audit
 January 30, 2009

DATE	OBSERVATION	RECOMMENDATION
	<i>53rd Street and Collins Avenue (19B) lot visited from 12:10pm till 12:35pm</i>	
18	The traffic attendant parked his personal vehicle at a red bagged meter reserved for paying customers.	The standard practice of having attendants' park their personal vehicles at the 17 th Street Garage and then shuttle them to their daily locations should have been followed.
19	Vehicles were allowed to wait for parking spaces to become available in the lot thereby blocking traffic flow in the short term.	People looking for parking should not be allowed to block traffic waiting for vehicles to leave full lots/garages so as to gain entry.
20	Lot attendants did not have any Boat Show Parking brochures to pass out to potential customers. Furthermore, the lot supervisor present claimed that he would not distribute them anymore because of people's insults and improper behavior.	Lot attendants should have Boat Show brochures available to pass out to potential customers desiring parking or event information.
2/17/08	<i>46th Street and Collins Avenue (19X) lot visited from 1:55pm till 2:20pm</i>	
21	The northern half of this lot was reserved for show management/workers, news vehicles, yacht brokers' clients, etc. and was not maintained by the lot attendants. However, the attendants controlled access to the lot and expressed some confusion as to who to let in, who to collect money from and where to have them park.	Better communication between the two parties and the reassignment of lot attendants' duties to better direct customers to available spaces, ensure that only authorized customers parked in this restricted area, etc. would have been helpful and should be considered for next year's show.