MIAMIBEACH

MEMORANDUM

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

VIA: Mark D. Coolidge, Interim Internal Auditor MDC

FROM: Coral Vivolo, Auditor

DATE: July 3, 2019

SUBJECT: **VALET PARKING OPERATIONAL REVIEW (FY 2018/19)**

The Office of Internal Audit performed a review of valet parking companies who operate on public property. This review was performed to determine whether valet operators secured their spaces in accordance with the requirements set forth in City Code Sections 18-336, 18-337 (1) and (4), 18-340 (1) and (6), and 106-55 (g) (1) and (2).

Unannounced site visits were performed on May 23rd, 2019 to several locations ranging from 500 Ocean Drive to 6985 Collins Avenue to ensure that only operators who had properly secured locations were operating. Internal Audit did not note any deficiencies during these unannounced site visits at the sampled Collins Avenue, Ocean Drive, Washington Avenue, Indian Creek Drive and 41st Street locations.

In addition, all 1,479 space rental permits, corresponding to 28 operators, during the period of October 1st, 2018 through May 7th, 2019, were reviewed whereby the following deficiencies were noted:

1) As per City Code Sections 106-55 (g) (1) and (2), fees shall be payable two weeks in advance for regular users. In addition, as per Section 18-336, no valet parking shall occur on public property without the operator securing a space rental valet parking from the City. Our review of 1,479 permits disclosed that a total of 1,408 (or 95%) permits totaling $857,291 were paid late. The number of days late ranged from 1 to 25 days and averaged 11 days late. Although paid late as per the City Code, 1,369 (or 97%) of said permits were paid prior to the day in which the valet services were scheduled to commence which represents a significant improvement. In addition, one (1) space rental permit was not invoiced in the amount of $94.50. As a result, the operator did not receive notice of the amount due for the rental period. However, per discussion with the Parking Department, the operator will be invoiced for the missing rental, together with the next period's space rental in order to correct the deficiency.

   Management Response (Parking Department):
   The Parking Department concedes the above referenced cases were not paid in accordance with the requirements of the City Code. However, in order to provide excellent customer service, customers paid outside of the deadline established in the City Code but prior to parking services being rendered. At no time was the City exposed to revenue loss. The alternative would have resulted in valet parking space rentals (valet ramps) being rescinded and closed. The Parking Department is working with the City Attorney's Office to amend the City Code.

The Parking Administration Specialist was aware of the oversite and immediately processed an invoice along with the following month's valet service, the customer is up to date on their payments.

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cc: Eric Carpenter, Assistant City Manager
Saul Frances, Parking Department Director