MIAMIBEACH

MEMORANDUM

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

VIA: Mark D. Coolidge, Interim Internal Auditor MDC

FROM: Coral Vivolo, Auditor CV
Jessica Romero, Auditor J.R.L

DATE: July 3, 2019

SUBJECT: **Parking Garage Exempt and Validated Transactions Review (FY 2018/19)**

The Office of Internal Audit performed an unannounced site visit on June 24th, 2019 to determine whether SP Plus Corporation (SP Plus) was following their provided Standard Operating Procedures, specifically as it relates to exempt and validated parking transactions.

The City's Parking Department currently has ten (10) parking garages (an eleventh one will be coming on line at the end of 2019) equipped with Skidata, an access and revenue parking management system. On April 18th, 2016, the City entered into a management agreement with SP Plus to administer, manage, and operate the City's parking facilities which includes all the City owned garages. Among the services provided by SP Plus are the adequate staffing of the following two positions:

- The central cashier assist/guide customers remotely from a centralized location using the Skidata video and audio capabilities.
- Ambassadors or security guards are stationed at all garage locations to provide hands on assistance to customers when needed; however, they must still always communicate with the central cashier.

Each day there is a varying number of exempt and validated transactions that require the customer to contact the central cashier. An exempt transaction is one that requires the SP Plus central cashier to overwrite the normal entry or exit process by either lifting the gate or adjusting the rate. Examples include instances whereby a customer loses their parking ticket, the equipment malfunctions, a customer pays their ticket but exceeds the allowed grace period to exit the garage, etc.

Each exempt transaction requires the SP Plus central cashier to contact a City Parking Department supervisor to obtain a unique alpha code which links to a general reason for the request and is randomly generated by an in-house iPhone application called Parking Authorization Codes. These authorization codes serve as the internal control mechanism that allows the SP Plus central cashier to override the transaction and confirms that designated City supervisors approved the exempt transaction. Each exempt transaction is to be manually recorded by the central cashier on the "Central Cashier Command Log," and the supporting documentation is to be attached. Also, every time a unique code is generated by a City's supervisor, a record is created and the "Parking Authorization Codes" report lists all the codes created for the day.

Furthermore, there are transactions that require a central cashier validation. Examples of validated transactions include but are not limited to handicapped/disabled customers who provide an appropriate permit; authorized contractors and City employees that are working in the area; etc. All validated transactions are also required to be logged into the "In Lane Validator Tracking Form." Customers are to provide supporting documentation (handicap permit and corresponding driver's license, contractor ID, employee ID, etc.) to obtain a parking validation. The Skidata system allows for the SP Plus central cashier to see live images of the documentation provided by the customer and retains an image of said documentation.

SP Plus audit personnel perform a daily review of all exempt and validated transactions to ensure that they were properly approved and documented. For exempt transactions, the auditor reconciles the "Central Cashier Command Log" to the City's "Parking Authorization Codes" report to verify that transactions were properly authorized. As it relates to validations, the auditor using the "In Lane Validator Tracking Form" logs in to Skidata to review the corresponding supporting documentation.

On June 24, 2019, Internal Audit staff performed an unannounced site visit to the SP Plus Audit Office located on the first floor of the 17th Street and Pennsylvania Garage. All exemptions recorded on June 22, 2019 as well as, selected validated transactions were reviewed to determine their authenticity and compliance with SP Plus's Standard Operating Procedures. During our review, no deficiencies were noted, and those mentioned in our prior reviews have been corrected.

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cc: Monica Beltran, Assistant Parking Director
Laura Franco-Rubines, Assistant Parking Director
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