

DEPARTMENT OF FINANCE  
PARKING AND MUNICIPAL CODE VIOLATIONS BUREAU  
PARKING ADMINISTRATIVE SERVICES  
REVIEW OF WASHINGTON SQUARE GARAGE

Office of Public Integrity  
Date: 9/22/22  
Contact: Kara Makely  
Phone: 428-6061

## I. EXECUTIVE SUMMARY

In this review, the Office of Public Integrity (OPI) examined records and internal control procedures at the Washington Square Parking Garage. We accounted for all reported cash receipts within the test period. However, we noted the following findings that require management attention to improve administrative and internal controls and to ensure compliance with City policy.

- ◆ OPI noted one instance in which a special event cash deposit totaling \$1,377 was not recorded in MUNIS.
- ◆ OPI noted that the parking software is not being utilized to reconcile revenue reported in MUNIS to parking activity in the garage.
  - The receipt amounts reported by the bank are not reconciled to the actual parking equipment.
  - Daily reports of vehicles entering and exiting the garage did not provide the information needed for testing. Personnel were unable to explain the data contained in the reports. Some reports did not provide the amounts paid.
  - Parking Administrative Services does not currently utilize an aging report to determine whether monthly accounts are due. Previous audits have shown some accounts up to one year past due. This is an import step in collections. The parking software system is not an accounting software. Parking staff state that the vendor did not provide the training necessary to utilize the reporting features of this system.
  - The City sends out monthly bills for parking validations. OPI requested a list of validations for June 2021. The report provided only allowed us to trace the monthly total amounts to MUNIS. We were unable to reconcile each entry and exit recorded in the system to the report.

## II. BACKGROUND, OBJECTIVES AND SCOPE

### A. Assignment

OPI routinely examines parking garage operations and their related revenue in its annual work program. We examine the operations of at least one parking garage rotating among the various garages.

B. Background

The City owns and operates eight downtown parking garages. The Department of Finance, Parking and Municipal Violations, Parking Administrative Services, oversees the parking garages, on-street parking, installation and maintenance of parking meters, collection of parking meter revenue, and the activity of parking enforcement officers.

C. Objective and Scope

The objectives of this review were to determine whether Parking Administrative Services could account for reported cash collections, to determine the adequacy of internal control procedures, and to determine compliance with City policy. This review examined current operations in detail, parking fees collected and reported for the month of June 2021, and the accuracy of the amount deposited with the City. For the month of June 2021, OPI verified gross revenues of \$23,211 including \$17,382 from monthly parking fees, \$5,360 in daily transient fees and \$469 in validations.

Management is responsible for establishing and maintaining a system of internal accounting and administrative control. Fulfilling this responsibility requires estimates and judgments by management to assess the expected benefits and related costs of control procedures. The objectives of a system are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of accurate, informative reports that are fairly stated.

Because of inherent limitations in any system of internal accounting and administrative control, errors or irregularities may nevertheless occur and not be detected. Also, projection of any system evaluation to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the degree of compliance with procedures may deteriorate.

We conducted this audit in accordance with Generally Accepted Government Auditing Standards (GAGAS) and the International Standards for the Professional Practice of Internal Auditing. 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. The recommendations presented in this report include the

more significant areas of potential improvement that came to our attention during the course of the examination, but do not include all possible improvements that a more extensive review might develop.

### III. RESULTS OF REVIEW

OPI accounted for all reported cash collections for the test period. However, we noted the following findings that require management attention to improve administrative and internal controls and to ensure compliance with City policy.

#### A. Deposit Not Recorded In MUNIS

OPI tested special event cash collections for continuity in ticket numbers and traced the cash collections to deposit. A deposit of \$1,377 was prepared and sent to the bank but never entered into MUNIS. Although this appears to be a clerical error, a reconciliation of the receipts to MUNIS would identify this discrepancy between MUNIS and the bank deposit.

MUNIS procedures include, Documenting Deposit Exceptions, which describes how to document exceptions found during reconciliation of deposit activity. Without reconciliation of deposits, there is the potential for unidentified errors in reporting revenue in MUNIS.

The daily deposit sent to the bank was not reconciled to the days MUNIS entries and the error went unnoticed. The City's financial system, MUNIS should accurately reflect the department's total revenue.

#### ◆ Recommendation

The Parking Administrative Services should reconcile the deposit information provided by the bank to the information entered into MUNIS to ensure they have accurately reported all revenue to the City's financial system.

#### B. Parking Software Utilization

Washington Square garage is equipped with one pay on foot station that accepts cash/credit card/validations. In addition, there are five exit verifiers and these accept credit card and validations only. This parking management system also includes the software system and is a "T2 System" product. T2 purchased the company that the City originally purchased the product from, ParkingSoft. OPI noted that the Parking Administrative Services unit is not utilizing the parking software to generate reports and reconcile the actual parking activity in the garage to the bank and MUNIS records. A reconciliation of daily transient revenue is not

completed. Parking does not generate reports from the parking equipment for reconciliation purposes. Patrons are no longer required to submit the spitter tickets into the equipment upon exiting the garage. These tickets were the mechanism OPI used to reconcile the revenue to the actual transient parkers per day. As a result, OPI could not perform an analysis of the amount charged based on exit and entry times. Parking staff rely on the information provided by the "iQ payment processing system" managed by M&T bank. The iQ system receives payment information from the exit machines and the amount is reported to the City's M&T account. The City relies on the bank to record all revenue from the machines based on the iQ system. M&T sends daily reports from the iQ system. Parking staff enters the total daily amount reported into MUNIS.

The City provides key cards to monthly parkers for access to the parking garage. OPI normally tests the issued cards and related payments to ensure that only paid cards are active. We have noted in prior audits that unpaid cards remained active or in some instances were not billed each month but active for access to the garage. OPI requested data and the reports provided did not contain all of the information required to perform this test. The parking system will automatically turn off individual patron key cards if they are not paid. However, the company group accounts do not automatically deactivate. Additionally, the group accounts invoice provides only a total amount due. The City has needed to request that the companies maintain their own list of employee names and tag numbers because the current billing system does not provide that detail.

We noted that Parking Administrative Services is not currently utilizing an aging report to determine whether monthly accounts are past due. Previous audits have shown some accounts up to one year past due. This is an important step in collections. The parking software system is not an accounting software. Parking staff stated that the vendor did not provide the training necessary to utilize the reporting features of the system. The City's Cash Collection Policies states, "A monthly aging report shall be prepared to document and monitor the delinquency of the Accounts Receivable."

The City sends out monthly bills for parking validations. OPI requested a list of validations for June 2021. The report provided allowed us to trace only the total monthly amounts to MUNIS. We did not receive a report of entry and exit to reconcile to the amounts paid.

MUNIS procedures include, Documenting Deposit Exceptions, which describes how to document any discrepancies found during reconciliation of deposit activity. Payment reconciliation is an important internal control

process for all payment types received from parking garage activity. Performing this process improves financial statement accuracy and can deter possible fraud.

◆ Recommendation

Parking Services Administration personnel should receive the necessary training to generate reports and interpret the data provided within the current software system. If no enhancement can be made to the billing, PARIS billing, still used in another City parking garage, may want to be considered as an option to generate aging reports and reconcile monthly parkers and validations to actual receipts.

IV. DEPARTMENTAL RESPONSE

The response of Finance to this report begins on the next page.



To: Timothy R. Weir, Director Office of Public Integrity  
From: Kim D. Jones, Director of Finance  
Date: September 21, 2022  
Subject: Washington Square Garage Audit

I have reviewed the audit and subsequent comments and recommendations from the Office of Public Integrity related to the administrative reporting of transactions at the Washington Square Garage. The audit provides critical information and guidance necessary for the Bureau of Parking and its adherence to City cash collection policies. Responses to each point is as follows:

A. Deposit Not Recorded in MUNIS

A deposit of \$1,377 (from special event parking operations) was prepared and sent to the bank but never entered into MUNIS. This was, in fact, a clerical oversight. To prevent this from occurring again, staff will include in daily tasks the reconciliation of receipts from special event parking to MUNIS receipts and bank deposit receipts to identify possible omissions.

B. Parking Software Utilization

OPI noted that the parking software is not utilized to generate reports and reconcile the actual parking activity in the garage to the bank and MUNIS records.



- A reconciliation of daily transient revenue is not completed; rather, reports from IQ payment processor and M&T Bank are used to prepare MUNIS entries. The Parking Bureau has identified the necessary reports within the software and has begun utilizing the reports to reconcile with bank records.
- Monthly key cards are deactivated automatically by the software system for non-payment; this feature functions correctly for individual customers, and occurs prior to the start of each month, thereby eliminating receivables. However, group accounts are set up by this particular software system as, “third party” accounts. Third parties are billed for the key cards issued to a group of people. The software does not include an automatic feature that disables the key cards of members of a group when the third party does not pay the invoice. To overcome this software shortcoming, staff will generate a, “past due” report, sort through the report to determine which of the past due accounts are group accounts, then will manually deactivate the key cards associated with that account. The Parking Bureau will ask the software vendor, T2 Systems, to create an automated process to accomplish this task.
- OPI asked for a list of validations for June 2021. The report provided to OPI allowed only for tracing the total monthly amounts. Subsequent to this audit, a report has been identified that lists each validation ticket redeemed, the duration of the parking session, the entry date/time, the exit date/time, and the amount due for the session. (Sample below.) The report does not show, however, the customer account that is invoiced for redeemed validations. The ticket number in the report will have to be traced backwards through the system to determine which customer issued the validation, and then whether or not the correct fees were assigned to the correct account.

## Detail Validation Report

For dates beginning 6/1/21 through 6/30/2021

Session / Cashier

2003 / DCS2010

Validation Type	Ticket Number	Entry Date/Time	Entry Lane	Exit Date/Time	Exit Lane	Duration	Validation Amount	Validation Count
Validation-100PER	0102000248	6/2/21 8:46:34	WSG S Clinton Entr	6/2/2021 2:25:46PM	WSG Woodbury Exit 2	0d 5h 39m 12s	\$10.00	1
Validation-100PER	0102000275	6/8/21 8:46:21	WSG S Clinton Entr	6/8/2021 11:18:01AM	WSG Woodbury Exit 2	0d 2h 31m 40s	\$6.00	1
Validation-100PER	0102000282	6/9/21 8:29:39	WSG S Clinton Entr	6/9/2021 1:49:22PM	WSG Woodbury Exit 2	0d 5h 19m 43s	\$10.00	1
Validation-100PER	0102000327	6/17/21 8:26:10	WSG S Clinton Entr	6/17/2021 10:30:41AM	WSG Woodbury Exit 2	0d 2h 4m 31s	\$6.00	1
Validation-100PER	0102000363	6/23/21 9:01:39	WSG S Clinton Entr	6/23/2021 1:59:46PM	WSG Woodbury Exit 2	0d 4h 58m 7s	\$10.00	1
Validation-100PER	0102000402	6/29/21 8:45:23	WSG S Clinton Entr	6/29/2021 4:31:09PM	WSG Woodbury Exit 2	0d 7h 45m 46s	\$10.00	1
Validation-100PER	0103001336	6/14/21 10:06:55	WSG Woodbury Exi	6/14/2021 12:05:11PM	WSG Woodbury Exit 2	0d 1h 58m 16s	\$4.00	1
Validation-100PER	0103001363	6/15/21 14:48:03	WSG Woodbury Exi	6/15/2021 4:30:11PM	WSG Woodbury Exit 2	0d 1h 42m 8s	\$4.00	1
Validation-100PER	0103001406	6/17/21 14:43:24	WSG Woodbury Exi	6/17/2021 5:14:14PM	WSG Woodbury Exit 2	0d 2h 30m 50s	\$6.00	1
Validation-100PER	0103001468	6/21/21 13:13:12	WSG Woodbury Exi	6/21/2021 3:28:21PM	WSG Woodbury Exit 2	0d 2h 15m 9s	\$6.00	1
Validation-100PER	0103001520	6/23/21 9:38:52	WSG Woodbury Exi	6/23/2021 11:42:10AM	WSG Woodbury Exit 2	0d 2h 3m 18s	\$6.00	1

- Recommendation

OPI has recommended that the Parking Bureau receive training to generate reports and interpret the data provided within the current software system. We have provided T2 Systems our list of needs related to their system, and associated training. If these requests cannot be satisfactorily met by our current vendor, we will begin discussions related to replacing the current system at Washington Square Garage with a proven Parking Access Revenue Control system, such as PARIS.

Thank you again for bringing these matters to my attention. We will work to ensure all recommendations are instituted and followed.

CC: Laura Miller, Director Parking & Municipal Code Violations