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# **CITY OF SAN ANTONIO**

## **OFFICE OF THE CITY AUDITOR**



Audit of Center City Development Office

Parking Operations

Project No. AU16-003

March 1, 2018

Kevin W. Barthold, CPA, CIA, CISA  
City Auditor

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## Executive Summary

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As part of our annual Audit Plan approved by City Council, we conducted an audit of the Center City Development & Operations Department (CCDO) Parking Operations collections and revenue recognition. The audit objective and conclusions follow:

**Determine if downtown parking operations are managed in accordance with ordinances and policies, and parking operation collections and revenue recognition are adequate.**

Downtown Parking Operations (Parking) is not managed in accordance with internal policies and procedures. Specifically, we identified the following internal control issues.

- Parking equipment vendor contracts are not adequately monitored. Policies and procedures to monitor vendor maintenance issues are not effective.
- Authorization and issuance of validation tickets and MAG cards is not adequately controlled and managed.
- Contract terms regarding allotted spaces are not monitored for a hotel licensee.
- Adequate reconciliations are not performed for parking revenue accounts.
- Existing procedures for documentation of issuance of parking decals are not consistently followed.

CCDO Management's verbatim response is in Appendix B *on page 11*.

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## Background

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Downtown Parking Operations (Parking), a division of Center City Development and Operations Department (CCDO), is responsible for the operation and maintenance of the City's downtown parking facilities, including 11 lots, four garages, and over 2,100 metered street spaces, representing a total of approximately 6,381 downtown public parking spaces. The division also oversees parking enforcement downtown and throughout the city.

Parking is a self-supporting Enterprise fund that accounts for revenues and expenditures associated with the operation and maintenance of the City's parking structures and parking areas. During fiscal year 2016 and 2017, Parking generated revenue of approximately \$9.7 and \$9.5 million, respectively.

The collection of revenue is managed by the Parking Operations Manager, while accounting of parking revenue is managed by the CCDO Department Fiscal Administrator.

During Fiscal Year 2010, City Council approved the purchase and installation of enhanced revenue control equipment which included pay-in-lane pay stations and an enhanced parking revenue control system. The vendor selected was HUB Parking Technology USA, Inc. formerly CTR Systems, Inc. This enhancement provided upgrades to 4 downtown parking lots and four multi-level parking garages.

Additionally, the on-street spaces are controlled by a mix of parking meters and pay stations. The pay stations are equipped with solar panels and communicate wirelessly with a central software system which provides audit reports, transaction records, and collection records. In addition to currency, the pay stations accept credit and debit cards. Once payment is received, the pay station will issue a receipt showing the date and parking expiration time that the customer then places in their vehicle. The web based management system will notify Parking staff through an electronic notification when a pay station is experiencing conditions such as low receipt paper or a full coin box.

For the last 2 years CCDO has focused on improving the parking experience for downtown visitors, residents and workers. Below is a summary of recent initiatives and facility improvements, with a focus on staff development, innovation and technology, customer service and facility maintenance.

- Installed new revenue control equipment at City-operated garages and lots to expand financial reporting capability, improve customer

ingress/egress, provide space count availability and allow for credit card payments.

- Increased credit card usage through hand held devices used during events, and the addition of new equipment in the Houston St, Convention Center, Library Garages and Municipal Court Lot.
- Converted attendants to parking ambassadors and removed cash handling duties of this position. This conversion has enhanced customer service and the user experience while visiting downtown.
- Provided additional training to all parking staff, to include Certified Tourism Ambassador certifications.
- Focused on enhanced maintenance program and aesthetic improvements at facilities.
- Installed new facility signage and wayfinding signage to better direct customers to city-operated parking facilities.
- Through a competitive process, CCDO hired a valet parking service provider which provides smart phone technology for mobile and traditional service payments.
- Added three new parking lots totaling 282 spaces, to include two at Hemisfair and one on the near eastside.

In addition to recent improvements, the division will soon launch a mobile payment application to allow customers to utilize a smart device to make payments for on-street parking meters, pay stations and gated parking facilities.

## Audit Scope and Methodology

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The audit scope included parking operations, specifically current processes related to collections and revenue recognition for Fiscal Year 2016. In addition, we conducted an analysis of relevant data from Fiscal Year 2014 through Fiscal Year 2016.

We interviewed key personnel to obtain an understanding of current processes and internal controls for parking operations. Additionally, we interviewed the Parking fiscal staff to gain an understanding of the revenue collections and reporting processes. We also reviewed relevant policies and procedures.

We reviewed for appropriate physical access to the fiscal area and for the adequate safeguarding of cash and cash equivalents. In addition, we reviewed for the adequacy of contract monitoring of vendor contracts as well as the adherence to contractual terms with parking customers.

We tested the accuracy and proper reconciliations of parking revenue reporting related to WebPARC/S<sup>1</sup>, Parkfolio<sup>2</sup> and handheld devices. We obtained random samples of validation tickets, MAG cards<sup>3</sup>, and parking decals for testing. We tested adherence to department procedures and internal controls for the proper approval, issuance, and revenue recognition. In addition, we conducted an analysis to determine the appropriate reconciliations of assigned MAG cards.

We tested compliance with managing user access in WebPARC/S, Parkfolio, and ADAPT<sup>4</sup> systems as it pertains to Administrative Directive 7.8D – Access Controls.

We relied on computer-processed data in SAP, WebPARC/S, ADAPT, and Parkfolio. Our reliance was based on performing direct tests on the data and limited evaluations of the systems' general and application controls. Our direct testing included comparing transaction data between systems to determine completeness and accuracy. We do not believe that the absence of additional testing of general and application controls had an effect on the results of our audit.

We conducted this performance audit in accordance with generally accepted government auditing standards. 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.

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<sup>1</sup> WebPARC/S is an application reporting system that reports garage revenue.

<sup>2</sup> Parkfolio is a system application used to monitor revenue of street pay stations.

<sup>3</sup> MAG card is an electronic card which allows customers to access City owned parking facilities.

<sup>4</sup> ADAPT is the system application for MAG Cards.

We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

## Audit Results and Recommendations

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### A. Vendor Contract Monitoring

Parking does not monitor parking equipment vendor contracts for key provisions such as insurance and performance bonds and does not ensure that required support documentation is current and retained on file. In addition, Parking does not have effective policies or procedures to address maintenance issues related to HUB revenue reporting and Parkeon equipment failure or malfunctions. While Parking staff documents instances where equipment is not operating effectively, they do not include information regarding the duration, resolution, or history of maintenance issues.

Effective vendor monitoring can result in early identification of issues to improve vendor performance, which ensures the contractor delivers expected services. According to the City's Procurement Policy & Procedures Manual, "The Managing Department should develop a Contract Administration Plan." This is a working document that serves as a tool for administration and monitoring purposes. It should highlight the key provisions of the contract, the monitoring tasks to perform, and the frequency of actions to be taken.

According to Parking policies and procedures, the Superintendent is to develop and maintain a preventive maintenance program on all equipment as well as maintain records on all parking operations activities. It also states Parking Supervisors are to note when a gate malfunctions and is manually opened as well as provide the details on locations and scenarios.

Parking has not developed a Contract Administration Plan for effective contract monitoring. In addition, there is a lack of documentation and oversight to ensure vendors are addressing equipment maintenance needs in a timely manner.

### Recommendations

The Director of CCDO should ensure sufficient vendor monitoring efforts are established and implemented to ensure vendors are performing expected services.

### B. Validation Ticket Control Deficiencies

Parking has insufficient procedures and is not following established procedures for the issuance and approval of validation tickets. We tested a sample of 35 validation ticket transactions. The issuance of 10 validation ticket transactions was not appropriately documented. Of the 10, six did not have a customer agreement on file and eight did not obtain the proper approval.

Parking validation policy and procedures state that a completed and signed Parking Validation Agreement must be submitted to the Parking Operations Manager for approval and signature. In addition, validation log sheets should be completed each time validation tickets are issued.

Lack of execution and documentation of information regarding the issuance and approval of validation tickets may result in ineffective efforts in charging and collecting of validation fees due to the City.

**Recommendation:**

The Director of CCDO ensures Parking staff develop sufficient procedures and follows existing procedures for the issuance and proper approval of validation tickets.

**C. MAG Card Operational Control Deficiencies**

Parking is not executing existing procedures and controls for the authorization and issuance of MAG cards. In addition, there is a lack of monitoring to ensure the accurate tracking of active MAG cards.

Of 30 MAG card transactions tested, 9 did not have an application or agreement on file. In addition, we observed inconsistent methods of approving the issuance of MAG card requests. Finally, we could not determine if a MAG card fee was applicable for 10 MAG cards issued to City employees.

Parking does not retain sufficient documentation to support the MAG card payment transactions. Out of the 30 MAG card transactions tested, 17 transactions had a fee that was not collected or we were unable to determine if a fee was applicable.

Parking policies and procedures state that a cardholder must complete a MAG card agreement for Fiscal to review prior to issuing a MAG card. In addition, policies and procedures state that Fiscal will collect the required fee and keep a copy of the customer's payment receipt.

Parking is not effectively monitoring active MAG cards including a lack of reconciliations between the ADAPT system and Parking's manual tracking system. We identified 5 active cards that had no history of issuance when compared to Parking's issuance and tracking system. In addition, we observed an example of a licensee who had 247 active cards in the ADAPT system yet Parking's manual tracking system indicates the licensee had 190 active cards. A complete comparison of assigned cards with their respective active status could not be determined due to incomplete and inaccurate information within the ADAPT system.

MAG card policies and procedures require that a reconciliation be performed every six months of active MAG cards to the ADAPT system. The department is not following the existing procedures for monitoring active cards and deactivating cards when necessary. Additionally, Parking retains multiple logs to track MAG cards which include conflicting information and may impede the reconciliation process.

Not following department MAG card procedures and a lack of guidance and procedures for the issuance of cards may result in the misuse of MAG cards as well as the potential loss of revenue. The lack of monitoring active cards and controls to ensure the correct status of MAG Cards may lead to the misuse of cards.

**Recommendation:**

The Director of CCDO ensure:

Parking is adhering to existing procedures for the issuance of MAG card transactions and collection of fees. In addition, establish procedures and controls for the issuance of MAG cards when a fee is not applicable and for unique circumstances related to City business. Also, ensure Parking is executing and documenting the semi-annual reconciliation of MAG cards with the ADAPT system.

**D. Contract Compliance**

Parking is not monitoring contractual terms with a hotel/restaurant (Licensee) regarding the parking spaces allocated to the hotel.

The contract states that the City will provide 125 reserved parking spaces for a monthly fee charged to the Licensee. The contract also provides overflow parking for a fee either at the public daily parking rate or the flat/event parking rate.

It should be noted that the Licensee has 187 active MAG cards issued to them for the 125 reserved spaces. In addition, 30 of the MAG cards have the active pass back option deactivated, which enables the simultaneous parking of multiple vehicles with one MAG card. Parking also provides approximately 500 validation tickets per month. Parking does not track activity on the MAG cards to determine if the Licensee is exceeding the 125 space allotment that could require additional charges.

**Recommendation**

The Director of CCDO develops controls and monitoring procedures to ensure adherence to contractual terms.

## **E. Revenue Account Reconciliations**

Parking Fiscal lacks adequate reconciliations to ensure revenue is accurately recorded.

Reconciliations for garage revenues are performed but identified variances are not resolved. We noted that cash collections did not agree to the WebPARC/S revenue reports for 111 days over a 5 month period. Management was unaware if WebPARC/S differences were caused by system reporting errors or user errors. Parking's fiscal office submitted 41 trouble tickets during this period to communicate errors to the vendor, however follow-up was not performed to determine if variances were systems related or other possible causes. While the reconciliation differences were not material, completed reconciliations are important to identify potential errors.

For parking meter revenues, reconciliations between cash collections and deposits and the Parkfolio system were not performed. Fiscal staff recorded cash collected as revenue with no regard to system generated revenue reports.

Reconciliations of revenue from handheld devices are not being performed to ensure revenue is accurate and complete. Parking uses handhelds to record parking fee transactions for special events and parking garages as needed. Daily handheld receipt sale totals are stored in Payment Tech<sup>5</sup> and daily handheld receipt sale totals are summarized on a manual log by the Management Analyst and then recorded on a monthly basis into SAP.

During the first six months of fiscal year 2016, parking fees charged on handheld devices were not accurately recorded in SAP, which resulted in understated revenue of \$22,909. In addition, there were 35 instances during this six month period where the manual tracking log of handheld sales totals was either incorrect or missing when compared to Payment Tech.

### **Recommendation**

The Director of Finance ensures reconciliations for all Parking revenue sources are performed and approved on a monthly basis.

## **F. Parking Decal Controls**

Parking is not executing existing procedures and is inconsistent in documenting the issuance of parking decals (decals), which are issued for commercial, residential and temporary purposes. Parking issued decals without appropriately documenting the issuance and proper approval to support the transactions. Of 25 issued decals tested, four were not logged accurately, and two were not

<sup>5</sup> Payment Tech is a web based software system which reports daily handheld device revenue.

approved properly. Of 34 decals issued during a six month period, 52% were documented as issued to a customer name and 48% were issued to an address. Decals should be issued to an address.

Parking procedures state that approval must be obtained to issue a decal based on the customer's application. In addition, an application checklist should be completed prior to submitting a customer's application. Staff authorized to issue decals are responsible for compliance with the procedures but they were not consistently following procedures related to the issuance of decals. In addition, Parking uses multiple logs for the issuance and tracking of decals which are not consistent.

The lack of execution and documentation of standard operating procedures may result in decals being misused and may result in the loss of revenue.

**Recommendation:**

The Director of CCDO ensure policies and procedures are followed and provide periodic training as needed to ensure adherence to department policies and procedures.

## **Appendix A – Staff Acknowledgement**

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Buddy Vargas, CIA, CFE, Audit Manager  
Lawrence Garza, CFE, Auditor in Charge  
Reina Hernandez, Auditor

## Appendix B – Management Response



### CITY OF SAN ANTONIO

P.O. Box 839966  
SAN ANTONIO TEXAS 78283-3966

February 19, 2018

Kevin W. Barthold, CPA, CIA, CISA  
City Auditor  
San Antonio, Texas

RE: Management's Corrective Action Plan for the Audit of Center City Development Office, Parking Operations

Center City Development Office (CCDO) has reviewed the audit report and has developed the Corrective Action Plans below corresponding to report recommendations.

Recommendation					
#	Description	Audit Report Page	Accept, Decline	Responsible Person's Name/Title	Completion Date
<b>A</b>	<b>Vendor Contract Monitoring</b>  The Director of CCDO should ensure sufficient vendor monitoring efforts are established and implemented to ensure vendors are performing expected services.	<b>5</b>	Accept	John Jacks, Director	Complete

Recommendation					
#	Description	Audit Report Page	Accept, Decline	Responsible Person's Name/Title	Completion Date
	<p><b><u>Action Plan:</u></b></p> <p>The Parking Division created a policy in 2015 (updated January 2016) that provides guidance regarding equipment malfunctions and discrepancies in revenue reporting by the equipment. There is also a 2015 policy in place that addresses when parking gates should be raised and how payments are to be collected in the event of a gate malfunction.</p> <p>Staff was reporting trouble tickets to the vendor as the policy requires, however, staff was not proactively confirming if the item was resolved and was relying on email confirmation from the vendor that the item was closed out. The process has been further strengthened and now requires staff to document frequency, duration, and resolution on trouble tickets.</p> <p>At the time of the audit, staff was also developing and negotiating a service agreement with the vendor that clearly identified the maintenance responsibilities of the vendor as it related to HUB Revenue Control equipment. The agreement also provides an inventory of the software and equipment within each parking facility. This 5 year agreement was executed by the vendor on October 2016 and enables staff to more effectively monitor vendor performance.</p> <p>In January 2017, the Parking Division hired a Contract Officer to improve contract administration and oversight within the Parking Division. The employee has developed and implemented the following:</p> <ul style="list-style-type: none"> <li>• Detailed contract review checklist which defines responsibility for specific contract elements;</li> <li>• Confirmed that parking equipment vendors have the required insurance and performance bonds and will conduct an annual review of insurance and bond support for all parking contracts;</li> <li>• Developed a contract administration plan.</li> </ul>				
<b>B</b>	<p><b>Validation Ticket Control Deficiencies</b></p> <p>The Director of CCDO ensures Parking staff follows existing procedures and controls for the issuance and proper approval of validation tickets.</p>	<b>5</b>	Accept	John Jacks, Director	Complete

Recommendation					
#	Description	Audit Report Page	Accept, Decline	Responsible Person's Name/Title	Completion Date
	<p><b><u>Action Plan:</u></b></p> <p>The Parking Division has an established policy in place for the issuance and approval of validation tickets with respect to paying customers that would like to purchase validations or chaser tickets for their employees, customers, or visitors. For example, a local business hosting an event recently requested 100 validations for guest parking at the Houston Street Garage. Per the policy, the business signed a validation agreement documenting applicable fees and intended use.</p> <p>The Department had documentation on file for the issuance of validation tickets for these users but it was not standardized. The policy did not address City departments, repeat users, or other users that are entitled to free parking such as disabled customers or veterans. For example, the Municipal Courts regularly requests validations/chaser tickets for jurors so they can park at the parking lot free of charge. The transaction is documented via email and Municipal Court was not required to sign a validation agreement because they are not a paying customer.</p> <p>The current policy also did not address "repeat users" that had signed an agreement previously. A repeat user is a customer who purchases validation tickets on a regular basis. For example, Mi Tierra purchases validation/chaser tickets for their customers to park for free. They purchase them regularly and have a signed agreement on file and were not required to sign a new agreement every time they purchase another set of validation/chaser tickets.</p> <p>Finally, the current policy did not address disabled customers or veterans who receive free parking per city ordinance. For example, staff issues validation/chaser tickets to a disabled customer to facilitate easier exiting from a non-staffed parking lot. Staff did not require him to sign a validation agreement since he was a non-paying customer eligible for free parking.</p> <p>The policy has been updated to require all users to provide standardized information each time validations are requested. All customers - to include paying customers, City departments, repeat users and non-paying customers - will be required to document all information on a single form for each new validation request. The policy will be strengthened to add guidance and/or clarification on the supporting documentation required for 'repeat customers', City Departments, and disabled customers.</p>				

Recommendation					
#	Description	Audit Report Page	Accept, Decline	Responsible Person's Name/Title	Completion Date
C	<p><b>MAG Card Authorization and Issuance</b></p> <p>Director of CCDO ensure Parking is adhering to existing procedures for the issuance and collection of MAG card transactions and collection of fees. In addition, establish procedures and controls for the issuance of MAG cards when a fee is not applicable and for unique circumstances related to City business.</p>	6	Accept	John Jacks, Director	Complete
<p><b>Action Plan:</b></p> <p>The Parking Division has an established policy in place for the issuance and approval of MAG cards that focused on new paying customers that did not have an established relationship and agreement on file. The policy was not intended to apply to city employees or officials that do not pay for their parking or customers who were provided a MAG card under another agreement such as the agreements that the City has with Argo and HVHC. Specifically policies and procedures will be strengthened and amended to:</p> <ul style="list-style-type: none"> <li>• require mag card users to sign documentation for the issuance of a mag card regardless of whether they are a paying customer (i.e. replacement cards)</li> <li>• identify the approval process and supporting documentation required when fees are waived</li> <li>• strengthen internal controls and better document the reconciliation process of MAG card activation/deactivation with the ADAPT system. Additionally, the Parking Division will create a Quality Control Committee, to include Director of CCDO, to verify the semi-annual reconciliation process is being performed and MAG cards are appropriately deactivated</li> </ul>					
D	<p><b>Contract Compliance</b></p> <p>The Director of CCDO develops controls and monitoring procedures to ensure adherence to contractual terms.</p>	7	Accept	John Jacks, Director	Complete

Recommendation					
#	Description	Audit Report Page	Accept, Decline	Responsible Person's Name/Title	Completion Date
	<p><b>Action Plan:</b></p> <p>The Omni Hotel agreement provides the La Mansion Hotel and Mokara Hotel access to 125 Reserved Parking Spaces in the Houston Street Garage. The agreement was executed in 2004 and terminates in 2029. Per the contract, Omni will pay the City approximately \$400,000 for FY 2018 for the 125 spaces. For comparison purposes, standard monthly parking passes for the Houston Street Garage are currently issued at \$120 per month while the Omni Hotel agreement is equivalent to \$267 per space per month. The reason for the higher rate is because the 125 spaces are reserved spaces on lower levels of the garage.</p> <p>The agreement does not address how the hotels are to access or manage the 125 spaces. The Omni uses these spaces for their employees and hotel guests. The two hotels have approximately 400 employees that work various shifts that sometimes overlap. At the time of the audit, there were 187 MAG cards issued to the Omni for this contract and staff would provide them chaser tickets/validations as needed. The MAG cards were used by managerial staff, tenured employees and in support of the valet operations at each Hotel. The chaser tickets were provided as needed to allow additional employees the ability to exit the parking facility without payment.</p> <p>In order to further strengthen controls over the access to the 125 reserved spaces, all MAG cards issued to Omni were deactivated and only 125 new MAG cards were issued to the hotel for their use, to include 15 for valet parking. Additionally, the use of chaser tickets for hotel employee parking will no longer be allowed. The Parking Division will continue to work with the hotel to ensure no more than 125 parking spaces are utilized simultaneously.</p>				
<b>E</b>	<p><b>Revenue Account Reconciliations</b></p> <p>The Director of Finance ensures reconciliations for all Parking revenue sources are performed and approved on a monthly basis.</p>	<b>8</b>	Accept	Troy Elliott, Deputy Chief Financial Officer	Complete

Recommendation					
#	Description	Audit Report Page	Accept, Decline	Responsible Person's Name/Title	Completion Date
	<p><b>Action Plan:</b></p> <p>FY2016 Garage and Lot revenue collections totaled \$7.9m. The department processed over 652,000 cash and credit card transactions, representing \$5.2m in garage revenue through the HUB WebPARC/s revenue control equipment. Daily, WebPARC/s generates two documents: a total revenue report and a report identifying revenue by facility. Fiscal staff reconciles the two documents daily. If the report totals do not match, the variance is posted to the over /short account in the accounting system, and a trouble ticket is submitted to HUB explaining the issue. All fiscal trouble tickets reported to the vendor are entered into a spreadsheet for tracking purposes. At the end of the month the accountant will review the HUB portal for trouble ticket resolution and update internal tracking sheet. Any un-resolved trouble tickets will be submitted to the designated contract officer for follow-up. Of the 111 days tested, the net variance posted to the over/short account for the time period was \$162.35. In accordance with the established Reporting System Issues policy, 41 trouble tickets were issued for system variances. Fiscal processes have been updated and are currently in place to strengthen internal controls over posting revenue and monitoring trouble tickets.</p> <p>For FY2016, over 700,000 cash and credit card transactions representing \$1.8m in meter revenue was managed through the Parkeon revenue control equipment. Cash and coin collections were posted based on the total cash count without reconciliation to the Parkeon system report. Effective October 2017, fiscal staff began reconciling collections with the Parkeon system reports and recording any variances in an over/short account.</p> <p>61,000 credit card transactions were managed by handheld credit card devices representing \$608,231 during FY2016. Fiscal staff receives settlement statements from each device and posts credit card revenue to the accounting system in the month the events occur. During the audit period, it was noted that \$22,909 was not accurately posted in SAP. This was due to some device statements not being submitted to Fiscal staff timely. There was no loss in revenue, however, the process did result in temporarily understated revenue for monthly financial reporting purposes. Additionally, effective April 2016, Fiscal received access to the Chase payment tech reporting system, and has been using the reports to ensure that all handheld revenue is recorded timely and accurately.</p>				
F	<p><b>Parking Decal Controls</b></p> <p>The Director of CCDO ensures policies and procedures are followed and provide periodic training as needed to ensure adherence to department policies and procedures.</p>	9	Accept	John Jacks, Director	Complete

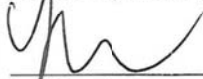
Recommendation					
#	Description	Audit Report Page	Accept, Decline	Responsible Person's Name/Title	Completion Date
	<p><b>Action Plan:</b></p> <p>During FY2016, 254 parking decals were issued representing \$20,000 in revenue to the City. Parking decals may be issued to commercial users or residents for use in restricted parking zones. The Parking Division currently has procedures and controls in place for the approval and issuance of parking decals and is following those existing procedures. However, based on the findings, the Parking Division has updated its policy and procedures to:</p> <ul style="list-style-type: none"> <li>• govern the issuance and approval related to issuance of temporary decals;</li> <li>• create and utilize a central tracking mechanism for parking decals; and</li> <li>• provide guidance with respect to when it is acceptable to issue parking decals to an individual or business name versus an address. For example, the Parking Division issues decals to addresses for residents to utilize restricted parking zones during an event and to individuals or business names for commercial users to park in commercial loading zones.</li> </ul>				

We are committed to addressing the recommendations in the audit report and the plan of actions presented above.

Sincerely,

  
 John Jacks  
 Director  
 Center City Development & Operations Department


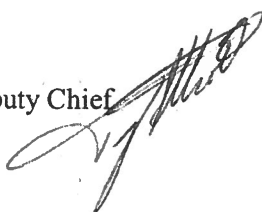
2-20-18  
 Date

  
 Lori Houston  
 Assistant City Manager  
 City Manager's Office

2-20-18  
 Date

**CITY OF SAN ANTONIO  
CENTER CITY DEVELOPMENT & OPERATIONS  
INTERDEPARTMENTAL CORRESPONDENCE SHEET**

TO: Kevin W. Barthold, CPA, CIA, CISA, City Auditor

FROM: John Jacks,  Director, Center City Development & Operations; Troy Elliott, Deputy Chief Financial Officer 

SUBJECT: Management Response to CCDO Parking Operations Audit

DATE: February 20, 2018

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Since 2015, the Center City Development and Operations Department (CCDO) has implemented several improvements to the parking system in an effort to enhance the customer experience and make parking in downtown San Antonio more user friendly. This was accomplished through staff development and training, technology improvements, and increased facility maintenance. Improvements include:

- New facility signage and way finding for City public parking facilities;
- Over \$900,000 in facility improvements to include painting and restriping the Convention Center and Houston Street Garages;
- Removal of cash handling from cashiers to improve employee safety and increase accountability;
- Technology improvements like Pay-on-Foot or Pay-in-Lane pay stations and hand held credit card devices; and
- Mandatory training and a requirement that all parking employees pass the certified tourism ambassador training course.

As a result of these improvements, parking revenue has increased by 24%, the number of cars parked has increased by 1% to nearly 2 million cars parked annually, and the cash to credit card ratio has improved from 70% cash / 30% credit cards in FY 2015 to 37% cash / 63% credit cards in FY 2017.

The parking system has undergone a major transformation in the past several years and the CCDO and Finance appreciate the assistance of the audit team in helping us understand the impact of our efforts and how we can improve. CCDO and Finance have reviewed the Parking Operations Audit report and developed Corrective Action Plans to address the report recommendations. CCDO staff, in partnership with Finance leadership, have made several improvements to departmental policies and procedures and strengthened internal controls.

The items identified in the audit have been addressed and corrective actions have been taken on each item. CCDO has implemented vendor contract monitoring controls, corrected deficiencies for approving and issuing validation tickets, strengthened processes for issuing and monitoring MAG cards, addressed contract compliance issues related to a hotel parking agreement, and updated policies related to issuing parking decals. CCDO has also created a Quality Control Committee to verify internal reviews are being conducted and policies are being followed. In addition, Finance has strengthened the procedures to ensure revenue account reconciliations are performed monthly.

CCDO and Finance appreciate the continued support of the audit team to ensure internal changes are beneficial to our staff and customers.