



City of San Antonio

Agenda Memorandum

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In Control: Audit and Accountability Committee

AUDIT COMMITTEE SUMMARY

May 15, 2018

Audit of Center City Development Office Parking Operations

Report Issued March 1, 2018

Audit Objective

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

Background

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. 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 2016 and 2017, Parking generated revenue of approximately \$9.7 and \$9.5 million, respectively.

Audit Scope and Methodology

The audit scope included parking operations, specifically current processes related to collections and revenue recognition for Fiscal Year 2016. 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 adequate contract monitoring. We also tested the accuracy of reconciliations of revenue.

Audit Conclusions

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.

We made recommendations to address the issues. Management concurred with the recommendations and developed positive corrective action plans.