

TO: THE COMMON COUNCIL
FROM: THE DEPARTMENT OF
AUDIT & CONTROL

DATE: April 25, 2007

SUBJECT: Audit Report –
Division of Parking Enforcement
1/1/2006 – 6/30/2006

We have performed an audit of the “mini-tow” records of the Division of Parking Enforcement and the Buffalo Police Department and present herewith our findings for the period January 1st, 2006 through June 30th, 2006. We present here our conclusions for the period described, as well as other such findings as we believe are appropriate.

Our examination was made in accordance with standards established by the Institute of Internal Auditors, and included such procedures as we considered necessary under the circumstances.

In our opinion, the accompanying comments present fairly the operations for the period then ended in conformity with generally accepted municipal auditing principles applied on a basis consistent with that of the preceding period.

It was our objective to review the procedures for “mini-tows”, the towing of illegally parked vehicles to legal parking areas, by the Division of Parking Enforcement and the Department of Police. We have added comments and suggestions on management and overall efficiency as our investigation uncovered circumstances that warranted such comments and suggestions.

In order to meet our objective we followed the following procedures:

- 1) We reviewed a report of all tickets written for the period January 1, 2006 to June 30, 2006 for all parking tickets that included a fine for towing. We then verified this report against Police Department and Parking Enforcement towing logs.
- 2) From this report, we selected and analyzed a sample of 83 tickets to determine if the summonses were properly filled out and if the vehicles were actually towed.
- 3) We reviewed the procedures established by the Division of Parking Enforcement and the Department of Police in regards to towing illegally parked vehicles.
- 4) We reviewed the procedures for calling tow truck operators for towing illegally parked automobiles by both departments.
- 5) We reviewed the contracts with the private tow truck operators to determine the right charges were used.

Our findings and recommendations are explained in greater detail in the attached Audit Report. There were seven specific comments from the Audit team. A copy of the report was discussed with the staff of the Division of Parking Enforcement in an exit interview on March 22, 2007.

We would note that the Mayor’s Administration has promptly taken positive steps towards addressing the improper towing fines and established procedures to ensure that this circumstance will not take place in the future. We further thank the Director and staff of the Division of Parking

Enforcement for their courtesy and cooperation during the performance of the audit. Our conclusions are summarized below.

- 83% or 69 of the sample were fined but not towed, and less than half of those appealed (43%) and were adjudicated as forgiven. Since so many tickets are likely to be improper, a full review is recommended.
- All voided tickets should be attached to the Mini-Tow form implemented in the new procedures for review by hearing officers or any appropriate party.
- The Police Dispatcher should be contacted to determine if the Police tow truck is available before a private tow truck operator is notified thereby decreasing the cost to the City.
- When using private tow trucks, all invoices should have detail as to the number of vehicles towed, the type of tow performed, and the rate of tow.
- There should be a formal process in the selection of private tow truck companies utilized by the City and those in use should be called on a rotational basis.
- Voided tickets should only be issued for mini-tows are required by departmental policy.
- Only the Senior Administrative Assistant or Administrative Assistant should be responsible for forgiving tickets outside of an administrative hearing.

We have noted our concerns within the audit and await the Director of Parking Enforcement's formal response to the Council. If you have any questions in the meantime, the Department of Audit and Control would endeavor to provide an answer.

DEPARTMENT HEAD: Andrew A. SanFilippo

TITLE: Comptroller

SIGNATURE:

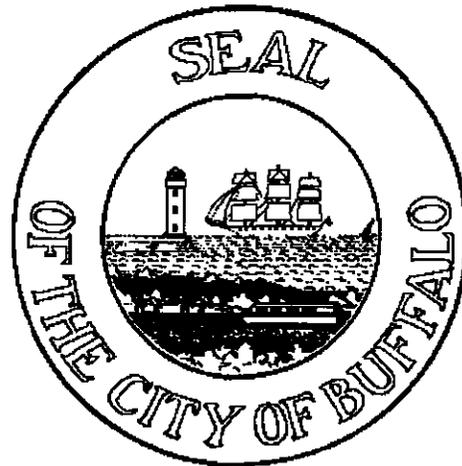
A handwritten signature in black ink, appearing to read "Andrew A. SanFilippo", is written over a horizontal line.

CITY OF BUFFALO

Audit Report

Division of Parking Enforcement

January 1, 2006 – June 30, 2006



City of Buffalo

DEPARTMENT OF
AUDIT AND CONTROL
COMPTROLLER'S OFFICE
1230 City Hall
Buffalo, NY 14202

ANDREW A. SANFILIPPO
COMPTROLLER

DARRYL McPHERSON
CITY AUDITOR

April, 2007

**The Honorable
Common Council of the City of Buffalo**

We have performed an audit of the "mini-tow" records of the Division of Parking Enforcement and the Buffalo Police Department and present herewith our findings for the period January 1st, 2006 through June 30th, 2006. We present here our conclusions for the period described, as well as other such findings as we believe are appropriate.

Our examination was made in accordance with standards established by the Institute of Internal Auditors, and included such procedures as we considered necessary under the circumstances.

In our opinion, the accompanying comments present fairly the operations for the period then ended in conformity with generally accepted municipal auditing principles applied on a basis consistent with that of the preceding period.



**ANDREW A. SANFILIPPO
COMPTROLLER**

I. Audit Objectives

It is the objective of this Audit to review the procedures for “mini-tows”, the towing of illegally parked vehicles to legal parking areas, by the Division of Parking Enforcement and the Department of Police.

II. Scope and Methodology

In order to meet our objective we followed the following procedures:

- 1) We reviewed a report of all tickets written for the period January 1, 2006 to June 30, 2006 for all parking tickets that included a fine for towing. We then verified this report against Police Department and Parking Enforcement towing logs.
- 2) From this report, we selected and analyzed a sample of 83 tickets to determine if the summonses were properly filled out and if the vehicles were actually towed.
- 3) We reviewed the procedures established by the Division of Parking Enforcement and the Department of Police in regards to towing illegally parked vehicles.
- 4) We reviewed the procedures for calling tow truck operators for towing illegally parked automobiles by both departments.
- 5) We reviewed the contracts with the private tow truck operators to determine the right charges were used.

III. Comments and Recommendations

- 1) **Comment:** 83% or 69 of the sample were fined but not towed, and less than half of those appealed (43%) and were adjudicated as forgiven. Motorists were given until October 1, 2006 to appeal their fines.
Recommendation: Given the high percentage in our sample of motorists who were fined but not towed, a full review should be conducted for the period beginning January 1, 2006. All remaining motorists that were charged with a mini-tow fine and not towed should be issued a refund.
- 2) **Comment:** New procedures were implemented in August 2006 preventing a fine for a mini-tow unless the vehicle is actually towed. The new procedure requires the ticketing officer to reissue the computerized ticket or add the fine to the written ticket when the vehicle is actually hooked up to a tow truck. The tow is recorded on a Mini-Tow form and then recorded on the towing log maintained in Parking Enforcement. The voided computerized ticket and the accompanying paperwork were not available for review. As such, we cannot determine if duplicate tickets were issued.
Recommendation: All voided tickets should be attached to the Mini-Tow form implemented in the new procedures for review by hearing officers or any appropriate party. The towing log should also be available for review.

- 3) **Comment:** Parking Enforcement only uses private operators for mini-tows. The Police Dispatcher is never contacted to see if the Police tow truck is available.

Recommendation: The Police Dispatcher should be contacted to determine if the Police tow truck is available before a private tow truck operator is notified thereby decreasing the cost to the City. If a private tow truck operator is used, a log should be kept and verified to the monthly invoices.

- 4) **Comment:** In reviewing the billing for the private tow truck operators, it was discovered that no reconciliation was done to identify the vehicle towed on the invoice. It is difficult, therefore, to determine if the City was properly charged for the tows.

Recommendation: All invoices should have detail as to the number of vehicles towed, the type of tow performed, and the rate of tow. A tow slip should be attached to the invoice detailing vehicle type, license tag number and date of tow before any invoice is paid.

- 5) **Comment:** An attempt was made to review the informal agreements with the private tow truck operators. Only one such contract was produced and the accompanying insurances were either expired or non-existent. It was further discovered that effective July 1, 2001, the Council established an authorized City tower program that would license and authorize towing companies to work for the City on a rotational basis. The Police Department was supposed to establish towing zones. See City Code Chapter 454, Article II. Based on our review of towing vendors used since July 1, 2006, it does not appear that this tower program is being properly utilized. Of the four vendors who received the business, one performed 64% of the work, one performed 19%, and the other two vendors shared equally in the remaining business.

Recommendation: In fiscal 2006, the Division of Parking Enforcement paid over \$80,000 to private contractors for towing. Per New York State General Municipal Law all services provided over \$20,000 must be advertised for sealed bids and published in an official newspaper. Additionally, any contract over \$50,000 must have Buffalo Fiscal Stability Authority approval. The authorized City tower program should be properly utilized, using the authorized towing companies on a rotational basis.

- 6) **Comment:** Based on inspection of physical evidence of voided tickets (“voids”), it was noted that voids were being used for other reasons than mini-tows. All voids are stored in a box on Dart Street with no paper trail at City Hall. These voids never enter the computer system at City Hall. Any voids the Supervisor at Dart Street does not clear are sent to City Hall to be cleared from the computer system. Based on a policy set forth regarding voided tickets from the Superintendent of Fleet Operation and Supervisor of Parking Meter Operation, voids are for mini-tows only.

Recommendation: We recommend that voids be issued only for mini-tows as stated by the internal Division of Parking Enforcement policy dated September

29, 2006. The ticket writers should issue no other voids. If a ticket is incorrect, it should be the ticketed individuals' responsibility to go through the normal hearing process. All voided tickets should be marked void on the ticket, with the Parking Enforcement Officer's signature on that ticket. The void and refusal request form should be reviewed and signed by the Supervisor of Parking Meter Operation's daily. All voided tickets should immediately come to City Hall after review and be logged into the computer system for a paper trail.

7) **Comment:** The Senior Administrative Assistant is responsible for all mini-tow waivers produced by the Police Department and the Division of Parking Enforcement. All clerks in the Parking Enforcement office have the ability to forgive tickets at the administrative level.

Recommendation: To insure proper control, we recommend only the Senior Administrative Assistant or Administrative Assistant be responsible for forgiving tickets outside of a hearing. Appropriate documentation is needed with signatures on forgiven tickets.

IV. Conclusion

During the review period, it has been clearly established that a number of fines were improperly issued for mini-tows against motorists in the City of Buffalo. In accordance with Generally Accepted Accounting Principles ("GAAP"), the City did not realize or earn this revenue. As such, a full review of all 469 summonses written should be implemented, and where appropriate, refunds should be issued for fines paid under false pretences. While the procedures have been changed as a result of the administration's response to the disclosure of the improper fines that were imposed on motorists, monitoring should continue to ensure full compliance. The administration's prompt attention to the improper fines and the new procedures that were put in place to guard against any further violations are recognized as part of this audit. But vigilance must continue to ensure that the remedies now in place are enforced.