

#1 (Rev.1/93) SINGLE PAGE COMMUNICATION TO THE COMMON COUNCIL

TO: THE COMMON COUNCIL: DATE: September 29, 2003

FROM: DEPARTMENT: Audit and Control

DIVISION: Audit

SUBJECT: [: **Division of Parking Enforcement**
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PRIOR COUNCIL REFERENCE: (IF ANY) [:
Ex. (Item No. , C.C.P.)

TEXT: (TYPE SINGLE SPACE BELOW)

AUDIT OBJECTIVES

Our objective in testing the internal control in Parking Enforcement and Towing Operations is to satisfy ourselves as to the fairness of the recorded revenue derived from the collection of parking fines and penalties. This is meant to include the propriety and validity of the fines and penalties charged and their proper recording in the applicable City accounts.

AUDIT FINDINGS

- Parking Enforcement revenue constituted \$18 of the \$27 million in total revenues and \$3 of the \$9 million in direct expenditures during the period.
- The cash receipts from the DPE system reconciled to the Treasury system and, and the combination of these controls and those in Treasury (recent audit results) revealed sound internal controls.
- Paid Parking summons rose to \$4.8 million or 8% over the prior year, but 2.9% over the same revenue in a three-year period.
- There were over 203,000 tickets issued in the year and 39% were paid when issued an additional 38% after the first penalty. There was a 95% collection rate over the span of the entire process through suspension and hearing. There was \$528,000 in charges forgiven during the period by administrative and hearing officers.
- Based on fiscal 2002-03 statistics, it appears that approximately five (5) percent of the total parking tags issued go uncollected for the same fiscal period (\$8 million outstanding); therefore, we can surmise that \$6 million are prior to fiscal 2002-03 and will be difficult, if not impossible, to collect upon

- An analysis of the Towing and Storage Operations for the past four fiscal years showed an average of 4,925 vehicles towed and this is within 0.5% of the 4,849 vehicles towed in 2002-2003.

AUDIT RECOMMENDATIONS

- Closely monitor the on-line credit card payments and reconcile the monthly totals with the "Sure Pay Manager" query reports.
- All data entry effecting the reduction of fines and penalties by judicial hearing dispositions and/or administrative clears is verified on a daily basis by an employee separate of the PVB Hearing section
- Consider the use of the "hand-held" ticket writers by authorized outside agencies to achieve the optimum advantages that these state of the art devices provide in speed, accuracy, etc. and further reduce the need and reliance on printed tickets.
- Holding periodic auctions of vehicles in "running" condition to draw more public interest and result in increased revenues
- Consider an increase in the opening bid amount by a minimum of (5) percent each fiscal year in order to increase auction revenues.
- Perform periodic inventories of impounded vehicles on hand and reconcile the physical counts to the computerized data base file of towed vehicles
- Transfer the unclaimed auction net proceeds older than the one (1) year holding period on a quarterly basis to provide more timely deposits to the City's operating fund
- Consider possible uses for the monies held in trust for the training needs in the area of for example "Disability Awareness."
- Consider the feasibility of proposing an amnesty program forgiving unpaid penalties in order to at least collect the original fines for unpaid parking tickets previously uncollected through all other methods i.e. collection agencies, judgments, etc.

TYPE DEPARTMENT HEAD NAME: Andrew SanFilippo

TYPE TITLE: Acting Comptroller

SIGNATURE OF DEPARTMENT HEAD

