



Item: AF: I-4a

## **BOT AUDIT AND FINANCE COMMITTEE**

**Wednesday, April 25, 2007**

**SUBJECT: REVIEW OF AUDITS: FAU 06/07-2, AUDIT OF TRAFFIC AND PARKING SERVICES FOR THE PERIOD AUGUST 1 – OCTOBER 31, 2006.**

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### **PROPOSED BOARD ACTION**

Information Only.

### **BACKGROUND INFORMATION**

Audit objectives were to determine whether money collections were properly accounted for, reconciled, accurately recorded in the university's accounting records, and timely deposited; proper accountability was maintained for all issued/unissued parking permits; and, physical security measures for the safeguarding of personnel, unissued parking permits, and monetary assets of the department were adequate.

Thirteen recommendations were made to address transaction accountability, segregation of duties, and employee/asset security issues.

### **IMPLEMENTATION PLAN/DATE**

Management has agreed to implement the audit recommendations during the nine-month period ending September 30, 2007.

### **FISCAL IMPLICATIONS**

Not Applicable.

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**Supporting Documentation:** Audit Report FAU 06/07-2

**Presented by:** Mr. Morley Barnett, Inspector General

**Phone:** 561-297-3682

FLORIDA ATLANTIC  
UNIVERSITY™

*Office of Inspector General*

Audit Report: Traffic and Parking Services  
For the Period August 1 through October 31, 2006

Use of Report

We are employed by Florida Atlantic University. This report is intended solely for the internal use of Florida Atlantic University and its governing bodies and is not intended to be used for any other purpose. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

**REPORT ON THE AUDIT OF  
TRAFFIC AND PARKING SERVICES**

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**FAU**  
**OFFICE OF INSPECTOR GENERAL**  
Florida Atlantic University

MEMORANDUM

TO: Frank T. Brogan  
President

FROM: Morley Barnett   
Inspector General

DATE: March 15, 2007

SUBJ: AUDIT OF TRAFFIC AND PARKING SERVICES

In accordance with the University's Internal Audit Plan for fiscal year 2006-07, we have conducted an audit of Traffic and Parking Services at Florida Atlantic University for the period August 1 through October 31, 2006. The report contained herein presents our scope and objectives and provides comments and conclusions resulting from procedures performed.

We have made thirteen recommendations to address our findings. We concur with the responses of the auditee which have been incorporated into the report. In addition, we have made one other comment for management's consideration. In accordance with our established procedures, follow-up will be performed subsequent to the issuance of this report to determine effective implementation of our recommendations by management.

Please call me if you have any questions.

cc: University Provost  
Vice Presidents  
Auditee  
FAU BOT Audit and Finance Committee  
Chancellor, State University System of Florida  
Florida Auditor General

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## EXECUTIVE SUMMARY

In accordance with the University's Internal Audit Plan for fiscal year 2006-07, we have conducted an audit of Traffic and Parking Services at Florida Atlantic University for the period August 1 through October 31, 2006.

Our audit objectives were to determine whether money collections were properly accounted for, reconciled, accurately recorded in the university's accounting records, and timely deposited; proper accountability was maintained for all issued/unissued parking permits; and physical security measures for the safeguarding of personnel, unissued parking permits, and monetary assets of the department were adequate.

Audit procedures included, but were not limited to, the evaluation of internal controls as those controls relate to the accomplishment of the foregoing audit objectives, as well as the performance of compliance testing on samples of daily money collections and issued parking permits in order to determine whether control procedures were operating effectively.

Based on our observations and tests performed, we are of the opinion that - notwithstanding the efforts and commitment of its management and staff - the examined operations of the Traffic and Parking Department were not always being conducted in consistent compliance with all applicable laws, rules, regulations, policies, procedures, and sound business practices. We identified opportunities for improvement in the following areas:

- Transaction documentation;
- Employee/asset security; and,
- Asset accountability and segregation of duties.

The details of all findings, as well as suggestions for corrective action, can be found in the Comments and Recommendations section of this report.

**FAU**  

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**OFFICE OF INSPECTOR GENERAL**  
Florida Atlantic University

March 15, 2007

Frank T. Brogan  
President  
Florida Atlantic University  
Boca Raton, Florida

Dear President Brogan:

SCOPE AND OBJECTIVES

In accordance with the University's Internal Audit Plan for fiscal year 2006-07, we have conducted an audit of Traffic and Parking Services at Florida Atlantic University for the period August 1 through October 31, 2006.

Our audit objectives were to determine whether money collections were properly accounted for, reconciled, accurately recorded in the university's accounting records, and timely deposited, proper accountability was maintained for all issued/unissued parking permits; and physical security measures for the safeguarding of personnel, unissued parking permits, and monetary assets of the department were adequate. Audit procedures included, but were not limited to, the evaluation of internal controls as those controls relate to the accomplishment of the foregoing audit objectives, as well as the performance of compliance testing on samples of daily money collections and issued parking permits in order to determine whether control procedures were operating effectively.

We obtained an understanding of the operations of the Traffic and Parking Department by reviewing written policies and procedures, interviewing key departmental personnel, performing analytical reviews of selected financial information pertaining to money collections, observing actual practices, and evaluating key internal controls. Our assessment of compliance with applicable laws, rules and regulations, and established policies and procedures was based on reviews of pertinent supporting documentation for judgementally selected departmental transactions. Populations, sample sizes, and selection methods were determined based on our evaluation of internal controls, our assessment of audit risk, the availability of pertinent University records, and other factors including auditor judgement.

We conducted our audit in accordance with the Institute of Internal Auditors' International Standards for the Professional Practice of Internal Auditing.

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## BACKGROUND

Traffic and Parking (T&P) Services at the Boca Raton Campus is a unit of the FAU Police Department, and is the central supplier of motor vehicle parking permits to the university community. T&P issues/sells parking permits to individual customers - faculty/staff, students, and visitors - as well other FAU departments. Parking permits are distributed by T&P to the cashier's offices at the satellite campuses on a consignment basis for issuance/sale to customers on these campuses. Currently, the T&P office as well as the satellite campus cashier's offices, utilize the BOSSCARS campus automobile registration system to record the issuance/sale of parking permits to individual customers; traffic citations issued to persons for non-compliance with the university's traffic and parking rules and regulations; and, traffic fine payments made by customers. Monetary transactions posted to BOSSCARS are interfaced via an overnight batch process to Banner Finance on a daily basis.

T&P receives and processes payments from its individual customers over-the-counter, as well as via mail, drop-box, employee payroll deduction, and the Internet. Where applicable, payments to T&P by departmental customers are generally made via ETF (Expenditure Transfer Form). During the course of the audit, T&P was staffed by an assistant director, an office manager, three fiscal assistants, and seven full-time and three part-time police service technicians. For fiscal year 2005/06, T&P earned approximately \$3.8 million in revenues.

## COMMENTS AND RECOMMENDATIONS

### Current Findings and Recommendations

1.

#### Transaction Documentation Deficiencies

#### Untimely/Undocumented Supervisory Review of Daily Money Collections

Compliance testing of the daily money collection records of T&P's cashiers for ten judgementally selected business days during the audit period resulted in the following exceptions:

- Four *Daily Cash Receipt Report and Teller Summary* reports - although signed by the cashier - were not signed as being reviewed by a supervisor on a timely basis. The reports were reviewed two to three business days after the transaction dates; and,
- Two *Daily Cash Receipt Report and Teller Summary* reports - although signed by the cashier - were not signed/initialed and dated by a supervisor to document the verification of the deposit totals, and reconciliation of the monies collected to control totals from the BOSSCARS system.

#### Recommendation No. 1.1

To mitigate the risk of potential loss, theft, or misappropriation of funds, we recommend management ensure that the daily money collections of T&P's cashiers are reviewed by a supervisor or supervisor's designee no later than one business day after receipt.

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## **Management's Response**

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### **Action Plan:**

Management concurs with the recommendation and has revised its procedures to include sign-off by both the cashier and a supervisor level employee.

### **Implementation Date:**

February 28, 2007

### **Responsible Auditee:**

Judy Ferris, Assistant Director of Traffic & Parking

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### **Refunds of Over-the-Counter Credit Card Payments**

Based on discussions with management, we noted that T&P was not asking customers who were entitled to receive refunds of payments originally made over-the-counter with a credit card to sign a refund authorization form when they were unable to sign the credit card refund slip in person. As a point of comparison, current Controller's Office procedures require verbal or written communication of instructions to the customer for completing, signing, and submitting an *Authorization to Refund Overpayment to Credit Card* form when he/she is not physically present. Given the inherent risk associated with credit card refunds, and the fact that the university cashier's offices were following the aforementioned credit card refund procedures, T&P should re-evaluate the propriety of its current practice.

### **Recommendation No. 1.2**

We recommend that management re-assess the current practice of the T&P Department regarding customer refunds of credit card payments originally made over-the-counter, and develop and implement an appropriate written credit card refund policy. Such a policy should reflect best business practices, and adequately protect the financial interests of the university.

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## **Management's Response**

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### **Action Plan:**

Management has re-assessed the current practice for over-the-counter refunds and has implemented a refund policy that is compatible with existing software without compromising the financial interest of the university.

### **Implementation Date:**

March 11, 2007



**Responsible Auditee:**

Judy Ferris, Assistant Director of Traffic & Parking

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**Incomplete Supporting Documentation for Parking Permits Issued**

Based on discussions with management, and compliance testing of a judgementally selected sample of 50 parking permits issued to customers on ten business days during the audit period, we noted the following reportable issue:

The current address information for students who applied online (via the Web) for resident/commuter parking permits was not being automatically posted to the applicant's computer record on the BOSSCARS system, as intended by T&P management. Accurate system information is important for ensuring that the student's parking permit is mailed to the correct address by T&P. Compliance testwork indicated that the customer's address on the parking permit application did not agree with the customer's address on the *Owner Query* screen on BOSSCARS, for *three* of the *seven* student resident/commuter Web parking permit applications reviewed.

**Recommendation No. 1.3**

We recommend that management take appropriate corrective action to ensure that the current address information submitted via Web applications for student resident/commuter parking permits is automatically posted to the applicant's computer record on the BOSSCARS system.

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**Management's Response**

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**Action Plan:**

Management agrees with the recommendation and has taken appropriate corrective action to ensure that the current address information is automatically posted in BOSSCARS.

**Implementation Date:**

March 12, 2007

**Responsible Auditee:**

Judy Ferris, Assistant Director of Traffic & Parking

2.

Employee & Monetary Asset Security Issues

Inadequate Security for Asset Storage Areas

Based on discussions with management, and observations during the course of fieldwork, we noted the following physical security weaknesses at the T&P office:

- On 12/12/06, we observed that a cashier's \$100 change fund had been placed (by a T&P supervisory employee) in the locked cash drawer at her workstation prior to her arrival in the department. The key to this locked cash drawer had been placed in an unlocked drawer next to the cashier's cash drawer pending her arrival at work. As such, the key was accessible to all employees present in the office until the cashier arrived at work to control the key;
- Cashiers placed the keys to their locked cash drawers in an unlocked drawer in the cashiering workstation area when they left the T&P office during the business day. As such, the keys were accessible to all departmental employees until the cashiers returned to work to control their keys;
- The keys to the various traffic fine payment drop-boxes - accessed by T&P's police service technicians - were kept in an unlocked box on top of the large departmental safe in the unlocked office of the T&P Office Manager during the business day; and,
- The key to the locked cabinet (located in an unlocked room) where the reserve supplies of unissued parking permits were stored, was kept in an unlocked desk drawer in the unlocked office of the T&P Office Manager during the business day.

Recommendation No. 2.1

In order to minimize the risk of potential theft, loss, or misappropriation of assets, we recommend that individual cashier change funds be kept locked in the office's large combination safe until physically issued to the designated cashiers. In addition, the keys for the cash drawers should be controlled by the designated fund custodians at all times during the business day. Further, the keys to the traffic fine payment drop-boxes and locked cabinet housing the reserve supplies of unissued parking permits should be kept locked in the office's large combination safe when not in use. The aforementioned measures should be incorporated into the written policies and procedures of the T&P Department to facilitate future compliance by office personnel.

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**Management's Response**

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**Action Plan:**

Management agrees with the recommendation and has revised the written procedures to comply and has provided appropriate safeguarding of the lock/money drawers.

**Implementation Date:**

March 12, 2007

**Responsible Auditee:**

Judy Ferris, Assistant Director of Traffic & Parking

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**Lack of Periodic Staff Reviews of Security Procedures**

Based on discussions with management, we noted that T&P's written security procedures were not being periodically reviewed with the staff. The lack of frequent reviews increases the risk that employees will not be able to effectively respond and react to security threats such as robberies.

**Recommendation No. 2.2**

In order to promote greater security awareness, and better protect the personnel and monetary assets of the department, we recommend that the security procedures be reviewed with all departmental employees on at least a semiannual basis. Adequate documentation of the security reviews, e.g., meeting minutes, agendas, sign-in sheets, memoranda, etc., should be maintained on file. To facilitate compliance, the aforementioned requirement should be reflected in the operations manual of the T&P Department.

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**Management's Response**

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**Action Plan:**

Management agrees and has instituted semi-annual meetings to inform employees of the related security issues. Documentation of the meetings and procedures will be maintained.

**Implementation Date:**

February 6, 2007

**Responsible Auditee:**

Judy Ferris, Assistant Director of Traffic & Parking

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3.

**Improper Asset Accountability & Segregation of Duties**

*Inadequate Accountability for Delivery of Money Deposits to Central Cashier's Office*

Based on discussions with management, we noted that the university employee - generally a police service technician - who delivered the money deposits of the T&P office to the central cashier's office did not sign an appropriate transfer document to acknowledge receipt of the monies.

Recommendation No. 3.1

We recommend management ensure that the T&P employee who delivers the money deposits to the central cashier's office signs or initials the deposit control log, or other appropriate custody transfer document, to maintain proper accountability for the monies. To facilitate this process, we further recommend that management consider adding a column for the signature/initials of the courier to T&P's existing deposit control log.

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**Management's Response**

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**Action Plan:**

Management agrees with the recommendation and has assured that T&P employees who deliver moneys for deposit to the Cashier's Office will properly document the transfer. In addition, a column has been added to the current form for the courier's signature/initials.

**Implementation Date:**

January 8, 2007

**Responsible Auditee:**

Judy Ferris, Assistant Director of Traffic & Parking

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*Lack of Documentation for Periodic Cash Counts of Reserve Change Fund*

Under current practice, T&P's operating change funds - the reserve change fund of \$700 and three individual cashier change funds of \$100 each - are required to be counted at the beginning of each business day. Although adequate documentation of the daily cash counts of the individual cashier change funds was being maintained, the daily counts of the reserve change fund were not being documented.

Recommendation No. 3.2

We recommend that management implement the use of a cash count form to document the periodic counts of the reserve change fund. The counts should be conducted at least quarterly by either two designated fund custodians or - on a surprise basis - by an employee independent of money handling;

documented on the reserve cash count form; and, signed-off and dated by the employees involved in the count. To promote future compliance, the recommended procedure should be included in the written operating procedures of the T&P Department.

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### **Management's Response**

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#### **Action Plan:**

Management agrees with the recommendation and will modify procedures to include a quarterly cash count with proper documentation.

#### **Implementation Date:**

March 30, 2007

#### **Responsible Auditee:**

Judy Ferris, Assistant Director of Traffic & Parking

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#### **Untimely/Undocumented Periodic Reconciliations of Web Credit Card Payments**

As a service to its customers, T&P has established a protocol for individuals to pay their traffic fines online at the department's website using a credit card. These Web credit card payments are captured, authenticated, and posted to customers' BOSSCARS accounts via an automated process.

According to management, all Web credit card payments appearing on the daily *Credit Card Batch Detail Reports* from the Touchnet Payment Gateway (TPG) system were being reconciled to customers' BOSSCARS accounts on a monthly basis by a T&P fiscal assistant. However, we noted that the reconciliations were not being documented; the reconciliation frequency was not adequate to timely ensure the Web credit card payments were accurately posted to the BOSSCARS system; and, the reconciler was not independent of update access to BOSSCARS.

#### **Recommendation No. 3.3**

We recommend management ensure that reconciliations of all Web credit card payments (as well as any refunds) recorded on the *Credit Card Batch Detail Reports* (from the TPG system) to the BOSSCARS accounts of customers, are performed preferably daily, but at least weekly. The reconciliations should be performed by either an employee independent of update access to the *Ticket & Maintenance* menus of BOSSCARS (and update access to the TPG system), or two employees; and, documented on an appropriate reconciliation form. To promote future compliance, the recommended procedure should be incorporated into the operating manual of the T&P Department.

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## Management's Response

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### **Action Plan:**

Management agrees with the recommendation and has begun reconciling the Credit Card Batch Report at least weekly.

### **Implementation Date:**

January 31, 2007

### **Responsible Auditee:**

Judy Ferris, Assistant Director of Traffic & Parking

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### **Inadequate Monitoring & Accounting for Employee Payroll Deductions for Parking Permit Purchases**

On a biweekly basis, the Banner HR system generates a *Deduction Register Report* for the 906 (Pretax FAU parking) payroll deduction code which indicates the current biweekly parking permit fee amounts (and year-to-date parking permit fee amounts) deducted from the paychecks of employees who have purchased faculty/staff parking permits via payroll deduction. Each payday, the Payroll Office prepares a journal voucher to transfer the current biweekly total parking permit fee amount (per the deduction register report) to the appropriate T&P Banner fund/organization/account codes. The journal entry is posted by the Controller's Office and transfers the appropriate biweekly total deduction amount from the GL 31906 (*Pretax FAU Parking Liability*) account of the SUSP40 (*Payroll Clearing*) fund to the 040029 (*Park Fee - Staff*) account of the S09000 (*Traffic and Parking Services*) organization code of the TRAFPK (*Traffic & Parking*) fund.

Based on discussions with T&P management and the Controller's Office, we noted the following deficiencies pertaining to the verification and accounting for the biweekly employee payroll deductions for parking permit purchases:

- The biweekly deduction register reports were being verified to the payroll deduction authorization records (submitted by employees) by the T&P Office Manager on a monthly basis. The aforementioned verification process should be performed on a biweekly basis (i.e., as the deduction register reports become available) to ensure that any discrepancies are identified in a more timely manner;
- T&P personnel were not verifying the posting of the abovementioned biweekly entry made to Banner Finance by the Payroll Office to transfer the current biweekly total payroll deduction amount (for the parking permit fees) to T&P's account; and,

- Neither T&P nor the Controller's Office were preparing the journal entry to periodically transfer the state sales tax portion of the parking permit fees (paid via employee payroll deduction) from T&P's account to the GL 003007 (*Sales Tax - Others*) account of the SUSP04 (*Suspense - Sales Tax Collections*) fund for subsequent remittance to the state. For calendar year 2006, a total of approximately \$11,600 in state sales tax due on parking permit fees paid via employee payroll deduction, had not yet been remitted to the state.

#### Recommendation No. 3.4

We recommend T&P collaborate with the Controller's Office to ensure that the appropriate entries are made biweekly to withhold sales tax on the parking permit fees paid via employee payroll deduction. In addition, the deduction register report for the payroll deductions for faculty/staff parking permit purchases should be reconciled biweekly to the payroll deduction authorization records submitted by employees. The aforementioned procedures should be incorporated into T&P's operations manual.

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### **Management's Response**

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#### **Action Plan:**

Management agrees with the recommendation and will devise a report to insure that payroll deductions for employee decals are properly monitored. The University Controller's Office will prepare the journal entry to assure compliance with sales tax remittance.

#### **Implementation Date:**

September 28, 2007

#### **Responsible Auditee:**

Judy Ferris, Assistant Director of Traffic & Parking

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#### **Procedures for Special Event Parking Services**

Based on discussions with management, we noted that not all sponsors of on-campus events requiring traffic and parking services were submitting event registration forms to the Traffic & Parking (T&P) Department, and adequate procedures were not in place to ensure that T&P was appropriately notified of all such events and the correct parking fees were assessed to, and remitted by, the sponsors or their agents. Under existing policies and procedures, all event promoters who rent an on-campus facility are to be assessed a parking fee of \$1 per attendee, and patrons of sponsored events held at the University Center (UC) auditorium are to be assessed a parking fee of \$1 for each event ticket purchased at the UC box office.

### Recommendation No. 3.5

We recommend T&P collaborate with the departments that rent major on-campus facilities where events are held (e.g., the University Center) to ensure that they require sponsors to register their events with T&P. This information should be used by T&P to establish agreed-upon fee payment arrangements and deadlines with the appropriate parties, and follow-up should be performed to ensure timely remittance of parking fees due. Further, T&P should require appropriate supporting documentation, e.g., event registrant rosters, attendee sign-in sheets, post-event settlement statements, etc., from the event sponsors or their agents, to ensure the accuracy of the parking fees remitted. Finally, any waivers of parking fees for an event should be approved in writing by the appropriate authority within the Financial Affairs Division.

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### **Management's Response**

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#### **Action Plan:**

The University is reviewing the Event Policy and will have a University-Wide procedure in place by the beginning of the 2007-08 academic year. Traffic & Parking will continue to bill departments for sponsored events. We are considering revising the billing procedures to allow for collections in advance of sponsored events with a full reconciliation.

#### **Implementation Date:**

August 27, 2007

#### **Responsible Auditee:**

Judy Ferris, Assistant Director of Traffic & Parking

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#### **Lack of Independent Follow-Up on Delinquent Customer Accounts**

Based on discussions with management, we noted that T&P's fiscal assistants were responsible for obtaining the monthly BOSSCARS delinquent customer report (*Late Letters - Summary Report*), and mailing the collection follow-up letters - automatically generated by the system - to customers. However, we noted that these employees were not independent to the extent that they received and posted customer payments to BOSSCARS, and the senior fiscal assistant had the capability of placing and releasing financial holds on the SIS (student information system) records of students with unpaid parking citations. To mitigate the risk of misappropriated customer payments, the collections process for delinquent BOSSCARS accounts should be conducted by an employee(s) independent of payment handling and processing.

As of 10/31/06, we determined that T&P had a total of approximately 2,500 customers with accounts which were more than 30 days past due. These customers owed a total of approximately \$78K in unpaid traffic fines and late fees.



Recommendation No. 3.6

We recommend management ensure that the collections follow-up for delinquent BOSSCARS accounts is performed by an employee(s) independent of customer payment handling and processing. To facilitate future compliance, the aforementioned requirement should be incorporated into T&P's written operating procedures.

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**Management's Response**

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**Action Plan:**

Traffic & Parking instituted follow-up on delinquent accounts in the fourth quarter of 2006. This effort resulted in collections of \$305,000 in overdue fines, fees and penalties. However, the recommendation to have an independent employee conduct the process is not possible due to the size of the staff. The University Controller's Office will participate with Traffic & Parking to coordinate the mass mailings of delinquent notices.

**Implementation Date:**

July 1, 2007

**Responsible Auditee:**

Judy Ferris, Assistant Director of Traffic & Parking

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**Lack of Employee Key & Combination Assignment Logs**

Based on discussions with management, we noted that logs were not being used to record the keys/combinations/cards assigned to T&P employees to allow them access to the office and/or asset storage areas of the department. In addition to documenting key/combination/card assignments, the maintenance of control logs for employees would serve to document the return of specific keys and access cards by terminating employees as well as the dates on which combinations assigned to ex-employees are changed.

**Recommendation No. 3.7**

We recommend that key/combination/card assignment logs be established and maintained for each T&P employee with access to the office and/or its asset storage areas. The log should be signed by the employee to acknowledge receipt of assigned keys, combinations, or access cards. Whenever an employee is required to turn-in his/her assigned keys/cards because of transfer, suspension, termination, or other reasons, the log should be signed/initialed and dated by the designated custodian who accepts the keys/cards from the employee. The measures recommended herein should be included in T&P's operating manual.

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## Management's Response

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### **Action Plan:**

Management concurs with the recommendation and has updated procedures to include this log.

### **Implementation Date:**

February 6, 2007

### **Responsible Auditee:**

Judy Ferris, Assistant Director of Traffic & Parking

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### **Inventory Control Weaknesses for Reserve Supplies of Parking Permits**

Based on discussions with management, our own observations, and a review of the available reserve supply control logs maintained by T&P for its various (2006/07 academic year) parking permit types during the audit period, we noted the following reportable issues:

- We identified multiple instances of incomplete entries, i.e., entries lacking the initials of one or more employees, issue/receipt dates, parking permit numbers, etc., on the reserve supply control logs for LLS winter/spring hangtag permits, Board of Trustees hangtag permits, faculty/staff hangtag permits, student resident decals, student commuter decals, temporary (paper) hangtag permits, temporary (scratch-off) hangtag permits, and temporary (pre-paid) hangtag permits;
- The format of the reserve supply control log for temporary (scratch-off) hangtag permits was inadequate to the extent that there were no fields for the date of receipt of the items, the initials of the two T&P employees who were required to receive the items, and the date the items were issued;
- T&P did not have reserve supply control logs for temporary handicapped hangtag permits, motorcycle decals, or temporary (placard) hangtag permits. In addition, we identified multiple instances of incomplete entries on the spreadsheets used by T&P to record the issuance of temporary (placard) hangtag permits to FAU departments;
- As a result of a physical inventory of T&P's reserve supplies of parking permits, we were unable to locate or otherwise account for *one* LLS winter/spring hangtag permit, *ten* student commuter decals, *200* temporary (paper) hangtag permits, *197* temporary (scratch-off) hangtag permits, and *107* temporary (placard) hangtag permits; and,
- T&P was not performing periodic documented inventories of its reserve supplies of unissued parking permits.

Recommendation No. 3.8

In order to maintain proper accountability, and mitigate the risk of potential loss, theft, or misappropriation of its reserve supplies of unissued parking permits, we recommend that T&P establish and maintain reserve supply control logs for temporary handicapped hangtag permits, motorcycle decals, and temporary (placard) hangtag permits. In addition, T&P personnel should exercise due care and diligence to ensure that complete and accurate entries are made on the reserve supply control logs for unissued parking permits. Finally, management should ensure that documented inventories of T&P's reserve supplies of unissued parking permits are conducted at least quarterly by an employee independent of custody and sales of the permits, or two (non-independent) employees, in order to timely detect any discrepancies.

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**Management's Response**

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**Action Plan:**

Management agrees with the recommendation and has implemented steps to assure that the inventory of reserve parking permits and supplies are secure.

**Implementation Date:**

February 28, 2007

**Responsible Auditee:**

Judy Ferris, Assistant Director of Traffic & Parking

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**Other Comments**

*Unrecorded Temporary Parking Permits*

Based on discussions with management, we noted that the temporary (scratch-off) hangtag parking permits issued to campus visitors by Police Service Technicians (PSTs) at the Information Booth (located at the Glades Road/Broward Avenue entrance to the Boca Raton campus), while being manually recorded, were not being posted to the BOSSCARS system. Although this practice had the benefit of providing faster customer service and saving employee man-hours, the decision to not record these transactions on BOSSCARS meant the PSTs could not use this system as a monitoring tool to ensure that parking decal holders and non-decals holders did not exceed their allowable limits for free temporary permits per semester. In addition, the PSTs had no computerized means of validating the expiration dates of these temporary permits if erroneous dates had been indicated on the permits when they were originally issued to the customers.

Given the potential impact on parking revenues, we recommend T&P re-evaluates its current practice of not recording -

on the BOSSCARS computer system - temporary parking permits issued to visitors by the Boca Raton campus information booth. Management should consider conducting a cost-benefit analysis to determine the feasibility of requiring the input of these transactions to the computerized campus automobile registration system.

### **Management Letter Comments**

In addition to the findings and recommendations presented above, we became aware of certain matters which, because of their character or relation to the scope of the audit, are not included herein. These audit comments have been communicated to management in a separate letter.

### **Prior Audit Recommendations**

Our examination generally includes a follow-up on findings and recommendations of prior internal audits, where the subjects of such findings are applicable to the scope of the current audit being performed.

Within the past three years, our office has not conducted any audits related to the operations of the Traffic and Parking Department. Accordingly, a follow-up on prior audit findings is not applicable.

### **CONCLUSION**

Based on our observations and tests performed, we are of the opinion that the evaluated operations of the Traffic and Parking Department were not always being conducted in consistent compliance with all applicable laws, rules, regulations, policies, procedures, and sound business practices. We have identified several opportunities to improve internal controls in the critical areas of transaction documentation, employee/asset security, asset accountability, and segregation of duties. It is our belief that the existing control weaknesses can be readily corrected in order to cost-effectively improve the overall internal control environment and enhance the mission of the department.

We wish to thank the staff of Traffic and Parking Services for their kind cooperation and assistance which contributed to the successful completion of this audit.



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