We have completed an audit of the Parking and Transportation Department’s Revenue Collections. The primary objective of our audit was to determine whether the established financial controls and procedures over the recording of revenue and the collection of funds were adequate, effective and efficient; were being adhered to; and were in compliance with University policies and procedures, applicable laws, rules and regulations. Also, we examined to determine whether the Department generated sufficient revenue to meet bonded indebtedness.

Overall, our audit disclosed that the Department’s fees were properly approved; cash collections and credit card sales were timely reconciled, deposited and properly safeguarded. Also the Department generated sufficient revenue to meet bond indebtedness. Nevertheless, during the period covered by our audit, we found significant weaknesses in internal controls over duplicate decals, temporary permits, fee assessment, citations/fines and the parking management system resulting in revenue losses and wide spread employee abuse. The audit resulted in 15 recommendations, which management agreed to implement.

We wish to express our appreciation for the cooperation and courtesies extended to us by the Parking and Transportation Department while conducting the audit.

C:  Albert Maury, Chair, Board of Trustees & Finance and Audit Committee Members
    Mark B. Rosenberg, University President
    Javier I. Marques, Chief of Staff, Office of the President
    Bill Foster, Executive Director, Parking and Transportation
    Lissette Hernandez, Assistant Director, Parking and Transportation
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BACKGROUND

The Department of Parking and Transportation (Parking Department) is a University owned and operated, auxiliary enterprise, within the Division of Finance and Administration of Florida International University. The overall Parking Department operations are accounted for as part of the University’s Auxiliary Trust Fund, which includes other auxiliary operations such as housing, student health, and food services. Each auxiliary service enterprise, within the University’s Auxiliary Trust Fund, is operated and accounted for as an individual self-supporting entity.

The Parking Department is responsible for the management of 5 parking garages and 52 parking lots totaling 14,995 parking spaces at the University’s three major campuses; Modesto A. Maidique (MMC), Biscayne Bay (BBC) and College of Engineering.

The details of parking space specifications by type as of October 2010 are as follows:

![Parking Space Specifications as of October 2010]

*Includes: valet, motor bike, state vehicle, FIU police, service delivery, time limit and car wash

The University financed the construction of the parking garages via the issuance of four series bonds: 1995, 1999, 2002 and 2009, through the Division on Bond Finance of the State of Florida. The bonds are secured by parking fees and enforcement regulation revenues and are set to mature on July 1, 2016, 2019, 2022 and 2039, respectively.
University policy requires all persons who regularly operate a vehicle on campus to register their vehicle with the Department of Parking and Transportation.\(^1\) According to the policy, any motor vehicle parked on University property must display a valid University parking decal or parking permit. Parking access on the University campuses are operated on a zone system. Each parking garage and/or lot is divided into parking zones. Parking at the various University garages and/or lots requires a valid parking decal for a particular zone. The University’s 2010-2011 parking decal types and cost are as follows:

<table>
<thead>
<tr>
<th>Parking Decal By Type</th>
<th>Annual decal cost</th>
<th>Two semester decal cost</th>
<th>One semester decal cost</th>
<th>Duplicate/Replacement decal cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Executive</td>
<td>$884.00</td>
<td>$722.00</td>
<td>$560.00</td>
<td>$30.00</td>
</tr>
<tr>
<td>Administrative</td>
<td>406.00</td>
<td>333.00</td>
<td>260.00</td>
<td>20.00</td>
</tr>
<tr>
<td>Faculty/Staff ((\text{earnings} \geq 45,000))</td>
<td>231.00</td>
<td>179.00</td>
<td>127.00</td>
<td>15.00</td>
</tr>
<tr>
<td>Faculty/Staff ((\text{earnings} &gt; 35,000))</td>
<td>206.00</td>
<td>160.00</td>
<td>113.00</td>
<td>15.00</td>
</tr>
<tr>
<td>Faculty/Staff ((\text{earnings} &gt; 25,000))</td>
<td>141.00</td>
<td>116.00</td>
<td>91.00</td>
<td>15.00</td>
</tr>
<tr>
<td>Faculty/Staff-(non AFSCME) ((\text{earnings} \leq 25,000))</td>
<td>121.00</td>
<td>98.00</td>
<td>76.00</td>
<td>15.00</td>
</tr>
<tr>
<td>Faculty/Staff-AFSCME(^2) ((\text{earnings} \leq 23,500))</td>
<td>90.00</td>
<td>N/A</td>
<td>N/A</td>
<td>15.00</td>
</tr>
<tr>
<td>Alumni</td>
<td>236.00</td>
<td>N/A</td>
<td>N/A</td>
<td>15.00</td>
</tr>
<tr>
<td>Student (Spring/Fall) (\text{fees per student per semester})</td>
<td>N/A</td>
<td>N/A</td>
<td>81.00</td>
<td>15.00</td>
</tr>
</tbody>
</table>

Visitors may park at meters ranging from 25 cents for 15 minutes to $1.00 per hour. People who conduct occasional business with the University can purchase a 30, 60 or 90 day permit at a cost of $5 to $60. The permits are usually issued to vendors, contractors and University volunteers. University departments can purchase permits and/or daily hang tags for conference and meeting attendees at a nominal cost.

Parking decals can be purchased online or over the counter at the Parking office. Permits can only be obtained from the Parking office. Methods of payments for decals, daily hang tags and permits are cash, credit card and department ID transfers. Full-time University employees can purchase decal through payroll deduction.

---

1 The following vehicles are exempt from the vehicle registration requirement: members of FIU Board of Trustees, FIU Foundation members and the media.
2 The American Federation of State, County and Municipal Employees
The Parking Department uses a parking management system called *T2 Flex* to track decal/permits inventory, sales, issuance, and payments along with citation issuance and payments. *T2 Flex* interfaces with the University’s ADP personnel system for employee data, which includes Panther IDs, employee names, addresses, job classifications, and pay scales. It also interfaces with the University’s PantherSoft Admissions module for student data, which includes Panther IDs, names, and addresses.

Student Access fees, parking regulation enforcement (citations), and employee parking fees provide the main source of revenue of the Parking Department. The Department also provides other vital services to the University community such as: shuttle buses between the various University campuses; daily tram transportation around MMC campus; sales of Miami-Dade Metro bus passes; and parking management for various University events, for example, athletic events. The Parking Department also provides vehicle services and fuel for the University.3 According to the University’s records, gross revenues generated by the Parking Department totaled $10.3 million for the fiscal year ended June 30, 2010 and $7.8 million for the eight months ended February 28, 2011, as follows:

![The Department of Parking and Transportation Revenue Collections](image)

<table>
<thead>
<tr>
<th>Revenue Type</th>
<th>July 1, 2009 to June 30, 2010</th>
<th>July 1, 2010 to February 28, 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Student Access Fees</td>
<td>$7,354</td>
<td>$6,085</td>
</tr>
<tr>
<td>Citations &amp; Towing</td>
<td>1,198</td>
<td>513</td>
</tr>
<tr>
<td>Employee Parking Fees</td>
<td>953</td>
<td>666</td>
</tr>
<tr>
<td>Parking Machines &amp; Meters</td>
<td>355</td>
<td>211</td>
</tr>
<tr>
<td>Golden Panther Express</td>
<td>284</td>
<td>205</td>
</tr>
<tr>
<td>Special Events</td>
<td>88</td>
<td>45</td>
</tr>
<tr>
<td>Permits &amp; Valet</td>
<td>69</td>
<td>36</td>
</tr>
<tr>
<td>Rent</td>
<td>0</td>
<td>54</td>
</tr>
<tr>
<td><strong>Total revenue</strong></td>
<td><strong>$10,301</strong></td>
<td><strong>$7,815</strong></td>
</tr>
</tbody>
</table>

The Parking Department is organized into three major sections, namely Administration, Enforcement and Transportation, and Vehicle Services.

- Administration section is responsible for the fiscal operation of Parking, which includes department budgeting, the ordering and issuance of parking decals and permits, payment collections and deposits, reconciliations, and systems monitoring.

- Enforcement and Transportation section is responsible for enforcing parking regulations by issuing parking citations, vehicle booth and towing enforcement,

3 Vehicle Services and Fuel are not included in this audit.
and for the coordination of intra campus shuttles and tram services around the campus. It is also responsible for ensuring that parking lots are safe, in good repair and parking equipment, such as meters, are operating properly.

- Vehicle Services section is responsible for providing safe and efficient transportation for the University. The section is also responsible for ensuring the fuel levels are adequate to meet the University’s needs.
A partial organizational chart for the Parking Department is shown below.
OBJECTIVES, SCOPE, AND METHODOLOGY

As part of the approved work plan for fiscal year 2010-2011, we conducted an audit of the Parking and Transportation Department’s Revenue Collections for the period July 1, 2009 through December 31, 2010. The primary objectives of our audit were:

I. To determine whether the established financial controls and procedures over the recording of revenue and the collection of funds:
   a) are adequate, effective and efficient;
   b) are being adhered to; and
   c) are in accordance with University policies and procedures, applicable laws, rules and regulations.

II. To determine whether the Department generates sufficient revenue to meet bonded indebtedness.

The audit was conducted in accordance with the *International Standards for the Professional Practice of Internal Auditing*, and included test of the accounting records and such other auditing procedures as we considered necessary under the circumstances. Audit fieldwork was conducted from December 6, 2010 to March 4, 2011.

We reviewed University policies and procedures and applicable Federal and State laws and regulations, observed current practices and processing techniques, interviewed responsible personnel, and tested selected transactions. For this audit we did not review expenditures, space utilization or vehicle services operations. Sample size and transactions selected for testing were determined on a judgmental basis.

The details of our sample are as follows:

<table>
<thead>
<tr>
<th>Audit Sample Size</th>
<th>Number Tested</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Audit Period July 1, 2009 thru December 31, 2010</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Type of Sample</td>
<td>Number Tested</td>
<td>Total</td>
</tr>
<tr>
<td>Executive decals</td>
<td>20</td>
<td>$ 7,433</td>
</tr>
<tr>
<td>Administrative decals</td>
<td>102</td>
<td>$ 18,915</td>
</tr>
<tr>
<td>Faculty/Staff decals</td>
<td>221</td>
<td>$ 12,562</td>
</tr>
<tr>
<td>Other decals/permits (annual, alumni, contractor, temporary permit and volunteers)</td>
<td>18</td>
<td>$ 544</td>
</tr>
<tr>
<td>Citation</td>
<td>232</td>
<td>$ 7,205</td>
</tr>
<tr>
<td>Student Access fees (Estimated Fall 2010 enrollment)</td>
<td>40,110²</td>
<td>$ 3,470,000</td>
</tr>
</tbody>
</table>

As part of our audit, we reviewed internal and external audit reports issued during the last three years to determine whether there were any prior recommendations related to scope and objective of this audit and whether management had effectively addressed prior audit concerns. In this regard, we followed up on prior recommendations, issued by the Florida Auditor General (Report No. 2010-096, dated February 2010), relating to controls over parking citation receivables.

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² Enrollment data per FIU Office of Planning & Institutional Research (excludes online students)
FINDINGS AND RECOMMENDATIONS

Overall, our audit disclosed that the Parking Department’s fees were properly approved; cash collections and credit card sales were timely reconciled, deposited and properly safeguarded. Also the Parking Department generated sufficient revenue to meet bond indebtedness. Nevertheless, during the period covered by our audit, we found significant weaknesses in internal controls over duplicate decals, temporary permits, fee assessment, citations/fines and the parking management system resulting in revenue losses and wide spread employee abuse.

The areas of necessary improvement identified in our audit are detailed below.

1. Controls Over Parking Decals

The University enrolled approximately 40,110 students and had approximately 4,396 employees for the Fall 2010 semester. Per University procedures, all applicable University registered students are automatically assessed a parking access fee of $81 for the Fall and Spring and $75 for the Summer semesters. Each student is then required to register their vehicle with the Parking Department and collect a parking decal. Housing students are given an additional decal to identify their residency status on campus. University employees are not automatically assessed a parking fee. Each University employee who regularly operates a vehicle on campus is required to purchase an original parking decal for their vehicle.

The Parking Department issued 35,870 original decals and 3,773 duplicate decals for the period July 1, 2010 through March 7, 2011. The table below details the number of decals issued by category.

<table>
<thead>
<tr>
<th>Decal Category</th>
<th>Original Decals Issued</th>
<th>Duplicate Decals Issued</th>
</tr>
</thead>
<tbody>
<tr>
<td>Executive</td>
<td>44</td>
<td>24</td>
</tr>
<tr>
<td>Administrative</td>
<td>531</td>
<td>217</td>
</tr>
<tr>
<td>Faculty/Staff</td>
<td>3,556</td>
<td>1,037</td>
</tr>
<tr>
<td>Student</td>
<td>31,680</td>
<td>2,495</td>
</tr>
<tr>
<td>Other (Alumni &amp; Retired Faculty/Staff)</td>
<td>59</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>35,870</strong></td>
<td><strong>3,773</strong></td>
</tr>
</tbody>
</table>

We selected 343 decals issued, which composed of 176 original and 167 duplicate decals, for testing as follows:

- Executive - 8 original and 12 duplicate,
- Administrative - 45 original and 57 duplicate,
- Faculty/Staff - 103 original and 98 duplicate, and
- Retired Faculty/Staff - 20 original.
Our test disclosed significant control deficiencies as follows:

a) Duplicate Decal Abuse

The University’s 2010-2011 Parking Rules and Regulations (Parking Rules) state that:

A duplicate/replacement decal is available to persons who have purchased an original decal for that semester or academic year. This category is for additional owned vehicles used alternately and for situations where the original decal must be replaced. The address on the vehicle registration for the second vehicle must be the same as that on the registered vehicle listed on the original decal application. A vehicle with a duplicate decal is not permitted on campus at the same time as the vehicle with the original decal ... when two or more persons who are employed by the University reside in the same household and register more than one vehicle, each is required to purchase a separate original decal.

Parking has not adequately controlled the sale of duplicate decals. Our test of 167 duplicate decals issued to University employees disclosed that 83 (50%) were not in compliance with University Parking Rules, as follows:

- 50 duplicate decals were purchased by employees for vehicles owned by co-workers and/or acquaintances.
- 19 duplicate decals were purchased by employees whose spouse also worked for the University and the spouse did not purchase an original decal.
- 14 duplicate decals were purchased by employees for other relatives who were either employees and/or students.

We performed several site observations and confirmed that vehicles with the original and duplicate decals were parked on campus simultaneously and repeatedly. Based on our sample, we estimate that lost revenue approximates $29,500. Upon our inquiry, the Parking Department produced a 470 page report of potential duplicate decal non-compliance. Based upon our request, the Parking Department reviewed the first 40 pages of the report and identified 84 additional instances of duplicate decal abuse, which resulted in $17,600 revenue loss. We estimate lost revenue for the duplicate decal non-compliance approximates in excess of $100,000 for the audit period.

On April 14, 2011, the Chief Financial Officer and Senior Vice President sent an email to employees who did not comply with University Parking Rules. The email requested that employees reimburse the University for the difference between the cost of a correctly charged decal and the duplicate decal charges during the past two years (see Exhibit A).
b) Parking Fee Assessment

University Parking Rules require a parking decal or permit to be obtained for each vehicle parking on the University campuses and parking decals to be issued according to decal classifications specified in the Rules. The rules further require that, a current decal or permit cannot be issued unless the owner or driver, otherwise exempt, pays the appropriate fee and provides proof of the decal classification to which he or she is entitled.

Our test of 103 original Faculty/Staff and 20 retired Faculty/Staff decals revealed the following:

- Nine Faculty/Staff decals (9%) were sold at the incorrect parking rates because of incorrect decal classification. This problem was due mainly to an interface error between the University personnel system and parking management system.

- Five free Faculty/Staff decals (25%) were issued to employees who were classified as retired, but were later rehired by the University as adjunct faculty on a consistent basis.

We calculated the potential lost revenue in our sample at $1,600. We did not project the loss to the sample universe. During our audit, Parking Department staff began the process of reviewing various employees’ classification and rates charged to ensure that the correct parking rates were assessed. However, this is a tedious process, performed manually, on a per customer basis.

Recommendations

<table>
<thead>
<tr>
<th>The Parking Department should:</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.1 Establish proper controls to ensure that all decals are issued in accordance with University Parking Rules.</td>
</tr>
<tr>
<td>1.2 Continue to identify decal abuse by employees and take the necessary steps to recover fees owed by employees.</td>
</tr>
<tr>
<td>1.3 Establish controls to ensure that employee classifications are properly reviewed and parking rates are accurately assessed.</td>
</tr>
<tr>
<td>1.4 Take necessary steps to collect monies owed due to incorrect parking rate and/or employee classification errors.</td>
</tr>
</tbody>
</table>
Management Responses/Action Plan:

1.1 We are currently reviewing all processes according to the Rules and Regulations to ensure that we have proper controls in place.

   **Implementation date:** December 31, 2011

1.2 We will establish a monthly reporting/auditing process to identify abuse. To recover fees owed by employees, a letter from the CFO’s office has been sent to all employees that were found to have incorrect duplicate decals. (See Exhibit A)

   **Implementation date:** October 31, 2011

1.3 We are currently in the process of verifying existing reports and establishing new reports to ensure that proper controls are in place. We will also work closely with Human Resources in the implementation of the new payroll process to ensure that the proper interface is established.

   **Implementation date:** January 31, 2012

1.4 We are contacting Human Resources to address the concern with retired faculty and identifying best practice on collecting dues on decals obtained at no cost while re-employed by the university. Also, implementation of new PantherSoft system for payroll will help minimize this concern and incorrect decal classification.

   **Implementation date:** January 31, 2012
2. Controls Over Temporary Permits

Temporary permits are issued by only the Parking Department to those persons who require temporary parking authorization and who are not otherwise required by University Parking Rules or contract to obtain a decal. Additionally, the Parking Rules require proof of current decal purchase prior to the issuance of permits.

Vendors/contractors pay a fee of $22, $40 and $60 for a 30, 60 or 90 day permit respectively. Also, individuals who volunteer their time at University campuses pay a fee of $5, $10 and $15 for a 30, 60, 90 day permit, respectively. Temporary permits to the employee are usually free of charge under the following circumstances:

- A department head requests loading zone permits to facilitate his/her employees’ job duties.
- An employee needs a temporary decal for a vehicle being used temporarily on campus.
- A new employee receives a three-week temporary permit at employee orientation.

Our test of 153 temporary permits, comprising of 128 for loading zone, 6 new employees and 19 volunteers, disclosed 19 exceptions (12%), as follows:

- Seven loading zone permits were issued to employees who did not purchase an original decal.
- Seven loading zone permits were issued to students, all of which had an expiration date ranging from 2020 to 2031; hence the permits are active for 16 to 30 years.
- Two volunteer permits were issued to persons who are current part-time University employees. Neither of the employees purchased an original parking decal.
- Three free temporary permits issued to employees with the following issues:
  - A permit was issued to a part-time employee who owed approximately $215 in parking decal fees for two years. The employee purchased the decals by way of payroll deductions, which was not allowed. A cash payment plan was set up for the employee to pay the fees owed. However, no decal was purchased for the current year and a free 5-month temporary permit was issued to the employee.
  - A permit was issued to an employee with an expiration date of 2406.
  - A permit was issued to a new employee, however, it expired and there is no record of follow-up with the employee to purchase a decal.
The lost revenue associated to the sampled items ranges from $1,600 to $3,000. We did not project the loss to the sample universe.

**Recommendations**

<table>
<thead>
<tr>
<th>The Parking Department should:</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.1</td>
</tr>
<tr>
<td>2.2</td>
</tr>
<tr>
<td>2.3</td>
</tr>
</tbody>
</table>

**Management Responses/Action Plan:**

2.1 We are currently in the process of verifying existing and creating new reports that will assist in ensuring proper controls.

**Implementation date:** July 1, 2011

2.2 We will work with Human Resources to establish procedures to identify and communicate with new employees who have not purchased a parking decal.

**Implementation date:** Immediately

2.3 The loading permits in question were transferred incorrectly when the transition happened in 2006 from NWRDC to T2. We are also creating a report that will give us expiration dates on all decals and permits.

**Implementation date:** December 31, 2011
3. Controls Over Citations/Fines

The University’s Public Safety Department and Parking Department enforce university parking infractions through the use of warnings, citations, and fines, vehicle immobilization, and towing. Additionally, the University Public Safety Department is empowered to issue citations for other types of violations. Parking Rules require that a new decal or permit should not be issued until the owner or driver settles all outstanding parking and traffic fines and fees.

The Parking Department issued approximately 23,514 citations, totalizing $584,005 for the period July 1, 2010 through March 7, 2011. As of March 7, 2011 there were 4,997 outstanding citations, totalizing $144,876.

We reviewed 232 citations issued to 134 vehicles:
- 105 citations were issued to 74 non-University affiliated vehicles;
- 98 citations were issued to 41 student vehicles; and
- 29 citations were issued to 19 employee vehicles.

Based on our test, the following conditions are noted.
- Parking decals were issued to 10 students (24%) and 6 employees (32%) vehicles while the owners had outstanding citations that were not under appeal at the time of issuance.
- Final paychecks were issued to 6 employees (32%) terminated from the University while their outstanding parking fees remain unpaid.
- One instance was noted where a Parking employee voided her own citation. Although the employee was given proper authorization prior to void the citation, it is a control weakness by allowing employees to void their own citations.

Parking citations/fines range from $15 to $250 per occurrence. The potential revenue loss associated to the sampled items is $7,200. We did not project the loss to the sample universe.

Recommendations

The Parking Department should:

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>3.1</td>
<td>Ensure that all outstanding balances are cleared prior to the issuance of parking decals.</td>
</tr>
<tr>
<td>3.2</td>
<td>Work with Human Resources to ensure that outstanding balances are identified, communicated and deducted from final paycheck when the employee is terminated.</td>
</tr>
</tbody>
</table>

5 There were 29,082 citations issued but 5,568 were voided and/or removed directly by the Parking Department or through the appeals process.
3.3 Prohibit employees from voiding their own citations.

**Management Responses/Action Plan:**

3.1 There is a process in place and our staff is trained to obtain payment before issuing a new decal. There are several instances where the person may have a second profile and outstanding citations. We are currently running “double customer/double tag” reports on a monthly basis, as well as our staff double checking the profiles in the system, to ensure that this does not continue to happen.

**Implementation date:** Immediately

3.2 We have already initiated discussions with HR personnel about this concern. They are implementing a process to ensure that outstanding balances are deducted from the employees' final paycheck when terminated.

**Implementation date:** January 31, 2012

3.3 Voiding citations is restricted to certain supervisors in the department. In this instance, a supervisor cleared her citation after obtaining written documentation from her direct supervisor. In the future, we will not allow employees to void their own citations.

**Implementation date:** Immediately
4. Controls Over Receivables Write-off

The Parking Department has established procedures for ensuring the proper internal controls, timely recognition, adequate reserves and timely collection of receivables as well as writing off any uncollectible receivables. They also include the following collection efforts and receivable write-off.

a. Notices of overdue citation(s) letters are generated by the system for each customer after 30, 60 and 90 days; and

b. All unpaid citations older than 120 days are handled as follows:

- All customers owing $99 or less in outstanding citations, no further collection efforts are taken and unpaid citations written off after 5 years from the issuance date;

- Current student and students registered within the past three semesters, owing between $100 and $200 in outstanding citations; accounts are turned over to the collection agency, where collections efforts are pursued for one year. If collections are not successful, the accounts are returned to the University and they are written off in 5 years if they remain unpaid;

- Employees, non-current students and non-University affiliates owing $100 or more in outstanding citations; accounts are turned over to the collection agency, where collections efforts are pursued for one year. If collections are not successful, the accounts are returned to the University and they are written off in 5 years if they remain unpaid; and

- For current student and students registered within the past three semesters, owing $201 or more in outstanding citations; a parking hold is placed on the student account in PantherSoft and the parking management system; accounts are turned over to the collection agency, where collections efforts are pursued for one year. If collections are not successful, the accounts are returned to the University and they are written off in 5 years if they remain unpaid.

The Parking Department submitted a citation write-off proposal to the Controller’s Office on February 2, 2011 for 49,318 citations, totaling $1.6 million. Our review of the proposal disclosed that the citations were issued between January 1, 2002 and June 30, 2010. These include 20,889 citations, totaling $674,200 for which the Parking Department was unable to identify customers.

In an audit report dated March 2008, the State of Florida Auditor General took issue with the Parking Department’s inability to gather identifying information for all individuals issued parking citations and the timeliness of academic holds being placed on student records. They repeated their concern in their report issued in February 2010. Since the
audit, the Parking Department has gone to great lengths to rectify the issues, but areas for improvement still exist. For example, our test of 232 citations revealed:

- Twenty-two vehicles had multiple duplicate profiles in the system that were not merged; therefore, decals were purchased under one profile while having outstanding citations under another profile;
- There were sixteen instances where the accounts were not timely referred to the collection agency although the customer owed more than $100 and delinquent payments period ranged from 150 to 240 days; and
- There were six instances where the registered owner information could not be located.

We found no issues with the timeliness of the academic holds being placed on student records; however, finding No. 3 highlights other control issues that if left uncorrected can limit the Parking Department’s collection efforts and potentially result in revenue loss. To its credit the Parking Department has collected approximately $199,311 of unpaid citations for the period July 2007 through October 2010.

**Recommendations**

<table>
<thead>
<tr>
<th>The Parking Department should:</th>
</tr>
</thead>
<tbody>
<tr>
<td>4.1 Establish controls to ensure that duplicate profiles are identified and merged in a timely manner.</td>
</tr>
<tr>
<td>4.2 Ensure delinquent accounts are identified and referred to the collection agency in a timely manner.</td>
</tr>
</tbody>
</table>

**Management Responses/Action Plan:**

4.1 We have established a process of running “double customer/double tag” reports on a monthly basis as well as our staff double checking the profiles in the system, to ensure that this does not continue to happen.

**Implementation date:** July 1, 2011

4.2 Our process was recently revised and delinquent files were submitted to the collection agency.

**Implementation date:** Immediately
5. **Controls Over Parking Management System**

The Parking Department uses a web based computerized parking management system called *T2 Flex*. The system performs various functions including:

- Parking records and data maintenance
- Decal and permits inventory tracking and issuance
- Parking citation management
- Parking rate classifications
- Other parking management functions

The system is set up to interface with the various University systems and programs outside of the Parking Department such as:

- ADP personnel system (ADP) for employee demographic, classifications, salary information and payroll deductions;
- PantherSoft Admissions Module for student demographic information;
- ICVerify for credit card payment processing; and
- Department of Motor Vehicles (DMV) for non-University affiliates demographic information.

The *T2 Flex* system was designed for the parking industry to help management combine industry functions, such as management of permits, enforcement, access and revenue controls. However, during our audit we observed several control issues, as follows:

- Interface between ADP and *T2 Flex* are not working properly, which resulted in employees' classification and parking rate errors. Staff must manually identify and correct each classification and rate.
- Multiple active decals can be assigned to the same vehicle.
- The same vehicle can be added in the system to multiple employee profiles, which creates collection problems.
- Original and duplicate decals can be purchased for vehicles that currently have outstanding citations.
- New employee information is available but not being utilized.
- System reports are generated in Adobe format. Therefore, management may need to manually convert them to a worksheet before they can be analyzed.
The full features of the system that assist in effective and efficient parking management are underutilized.

**Recommendations**

<table>
<thead>
<tr>
<th>The Parking Department should:</th>
</tr>
</thead>
<tbody>
<tr>
<td>5.1 Work with Human Resources to ensure that the interface between ADP and <em>T2 Flex</em> is working properly.</td>
</tr>
<tr>
<td>5.2 Evaluate <em>T2 Flex</em> parking management system capabilities and address various control issues.</td>
</tr>
</tbody>
</table>

**Management Responses/Action Plan:**

5.1 We are currently working with Human Resources for a patch in the ADP and T2 interface that will help us identify the changes in employee classification until a new payroll system (PantherSoft) is implemented.

**Implementation date:** January 31, 2012

5.2 We are in the process of obtaining a quote for a T2 consultant to upgrade the parking management system.

**Implementation date:** December 31, 2011
6. **Employee Bonding and Background Check**

During the audit, we verified that employees who handle cash and make expenditures have been insured or bonded in accordance with state statues. However, not all Parking employees, who handle cash and/or financial services, had complete background checks.

Effective March 31, 2009, University Policy No. 1710.257 requires the performance of criminal history checks on all newly hired employees. The policy also requires more in-depth criminal history checks including fingerprinting, through the Florida Department of Law Enforcement for new employees (or employees recently promoted) in sensitive positions. Included in this category of employees are individuals handling cash or managing cash transactions.

Since the Policy went into effect, March 31, 2009, the Parking Department hired 58 new employees. Based on our analysis, at least 9 employees worked directly with cash or financial services and fall under the aforementioned policy. Our review of 9 employment files revealed that 7 employees were not fingerprinted.

**Recommendation**

| 6. | The Parking Department should work with Human Resources to ensure that criminal background checks including fingerprinting are conducted for all applicable positions. |

**Management Responses/Action Plan:**

6. Our office will continue to work with Human Resources to ensure that appropriate background checks are performed for applicable positions.

**Implementation date:** Immediately
Dear FIU Parking & Transportation Customer:

Our records show that you have purchased one or more duplicate vehicular parking decals during the period July 1, 2009 to December 31, 2011. The purchase of decals for faculty and staff, including the purchase of duplicate vehicular parking decals, is governed by Florida International University Traffic and Parking Regulation FIU 1105, and this regulation is approved annually by the Board of Trustees. The Traffic Regulation is provided with every decal purchased and clearly outlines the requirements for obtaining a duplicate decal. The complete Traffic and Parking Regulation may be found at: http://bot.fiu.edu/uploads/file/COMPLETE%20FB%20Agenda%206_4_10%20-%20WEBSITE%20-%20REV%206_1_10.pdf. For convenience, the relevant sections regarding duplicate decals are shown below.

(2) (a) 1. d.: When two or more persons who are employed by the University reside in the same household and register more than one vehicle, each is required to purchase a separate original decal; duplicate decals will not be issued for either person except upon proof of replacement of the originally registered vehicle. If two or more persons travel together in one vehicle, only one decal is required but a duplicate decal cannot be purchased except upon proof of replacement of the originally registered vehicle.

(2) (a) 3. f.: A Duplicate/Replacement decal is available to persons who have purchased an original decal for that semester or academic year. This category is for additionally owned vehicles used alternately and for situations where the original decal must be replaced due to an accident, the re-painting of the vehicle, stolen vehicles, etc. The address on the vehicle registration for the second vehicle must be the same as that on the registration of the vehicle listed on the original decal application. A vehicle with a duplicate decal is not permitted on campus at the same time as the vehicle with the original decal.

The Office of Internal Audit has recently completed a financial audit of the Department of Parking and Transportation. As part of the audit, duplicate decal purchases were examined for compliance with university regulation. The audit findings demonstrate that while the majority of our employees who purchased duplicate decals are in compliance with university regulation, many have purchased duplicate decals for use by spouses, co-workers, students and friends. In many of the cases, the vehicles utilizing a duplicate decal were not registered to the purchaser.
and the registration of these vehicles showed a different address. The purchase and use of a
duplicate decal under these conditions is prohibited under university regulation.
Employees who have purchased duplicate decals and are not in compliance with the regulation
must contact the Department of Parking and Transportation to correct the violation by returning
the duplicate decal in question and purchasing a correct decal. In addition, the employee must
reimburse the University for the difference between the cost of a correctly charged decal and the
duplicate decal charged during the past two years. For example: If a duplicate Administrative
decal was issued inappropriately, the person will be charged the difference of the full cost of an
Administrative decal going back up to two years.

We are providing employees who have purchased and used duplicate decals the opportunity to
correct the violation in order to resolve an official audit finding of our Office of Internal Audit.
If you are unsure if you are in compliance with university policy, we encourage you to contact
the Department of Parking and Transportation for clarification. It is essential that any amounts
due are paid before May 31, 2011.

If you have any questions or need additional information on the purchase of duplicate decals,
please contact the Department of Parking and Transportation at 305-348-3615.

Kenneth A. Jessell, Ph.D.
Senior Vice President and Chief Financial Officer

FIU UNIVERSITY