



**CUYAHOGA COUNTY
DEPARTMENT OF INTERNAL AUDITING**

TO: Michael Dever, Public Works Director, and the Division of Parking Services
FROM: Rose Karam, Interim Director, Department of Internal Auditing
DATE: November 1, 2019
RE: Parking Services Follow-Up Review Report

As required by the *International Standards for the Professional Practice of Internal Auditing*, the Department of Internal Auditing (DIA) has completed follow-up procedures on reported issues from the Parking Services Audit Report issued on August 31, 2018. The objective of the follow-up was to determine with reasonable assurance whether management took effective action on the issues presented in the audit report.

RESULTS

There were 28 recommendations in the Parking Services Audit Report; 93% of the recommendations were fully implemented, and corrective action has been initiated, but not completed on the remaining two recommendations at the conclusion of this follow-up review. Each recommendation is addressed in the Follow-Up Results section on the following pages. The below table is a summary of the recommendations.

Fully Implemented	Partially Implemented	Not Implemented	Withdrawn
26	2	0	0

DIA would like to express our appreciation for the cooperation of Public Works Director Michael Dever and the current management of the Cuyahoga County Parking Services. We commend the hard work of the Parking Services personnel and recognize significant improvements in the handling of cash since DIA's audit in 2018.

Respectfully,

A handwritten signature in black ink that reads "Rose M. Karam".

Rose Karam, CFE, CIA
Interim Director of Internal Auditing

Cc: Audit Committee
Cuyahoga County Council
Bill Mason, Chief of Staff
Michael C. O'Malley, Cuyahoga County Prosecutor

Follow Up Results Parking Services

Corrective Action Taken

- **Fully Implemented (F)** - The audit issue has been adequately addressed by implementing the original or corrective action.
- **Partially Implemented (P)** - The corrective action has been initiated but not completed.
- **Not Implemented (N)** - The audit issue has not been addressed and management has assumed the risk of not taking corrective action.
- **Withdrawn (W)** - The audit issue no longer exists because of changes in the auditee’s operations.

NOTE: Agency responses were extracted and unmodified from the Parking Services Audit Report issued on August 31, 2018. References to departments, offices, policies, etc. are not consistent with terminology used throughout the rest of this report. The Parking Services Audit Report can be found on the [Audit Committee's Website](#) .

Finding (Missed Revenue Opportunities with Special Event Parking): DIA noted that: 1) prior to Parking Services staff arriving for special event parking a ticket could be taken from machines to enter Huntington Park Garage (HPG); 2) Gates were open at Courthouse Square, allowing someone to enter without paying; 3) No employees walked around parking areas looking for open spots or occupied unpaid spots; 4) Counting money from special event parking was done in an area with no security camera; 5) The gates at HPG and CS were standard vendor-issued keys and locks that could be opened by others outside of Parking Services; 6) f there is a variance between tickets disbursed and money collected it is noted on that day’s reconciliation sheet, but variances are not tracked over time or by attendant. (Pages 5-9 in 2018 Audit Report)

Recommendation 1	Agency Response to 2018 Audit Report	F	P	N	W
Entrance gates should always be closed unless a Parking Services employee is present and collecting cash for special events.	<i>Public Works agrees with the recommendation and already implemented the requested change. Unless an employee is cashiering an event, the entrance gates are now closed. Only HPG management or a Protective Service Officer has the authority to open the gates. The County has communicated with the valet service and the Hilton Cleveland Downtown (Hilton) management not to open the gates unless an emergency exists – which will require notifying HPG management or Protective Services immediately. The valet provider, Towne Park, only has a key for the nested areas.</i>	√			

Parking Services Follow-Up Review

Finding (Missed Revenue Opportunities with Special Event Parking): Continued					
Recommendation 2	Agency Response to 2018 Audit Report	F	P	N	W
<p>Parking Services should reprogram the machines to shut off access to the public and not allow anyone to take a ticket on special event days. Only HPG staff should be able to enter HPG the morning of special events. Monthly parkers should have their access restricted to weekdays only.</p>	<p><i>Public Works cannot implement this recommendation due to other operational reasons. Parking Services initially planned to reprogram the machines but after further review and discussion with our Hilton Downtown Cleveland partners this recommendation cannot be done due to the Self-Parking option for hotel guests. Hotel guests would not be able to gain access to the garage if the machines are reprogrammed. Management understands the possible revenue loss with this decision.</i></p> <p><i>The only monthly parkers with unrestricted access are the Public Works Trades, County Judges, and the Hilton. Access is restricted on the rest of the monthly parkers. The Hilton is a 24/7 operation and currently pays Parking Service for 410 parking spots at HPG whether they use them or not. These passes are not restricted due to valet access and Hilton employees 24/7 work access.</i></p>		√		
<p>Update: The agency response is still in effect. Monthly parkers do typically have their access limited to weekdays unless they need special access. DIA understands the obligation to work with the Hilton Hotel and their operations.</p>					
Recommendation 3	Agency Response to 2018 Audit Report	F	P	N	W
<p>An attendant and/or Protective Services Officer should patrol parking lots for people taking up multiple spots but paying for one, and to see if there are open spaces that could be sold to allow additional people to park in the garage. We recommend an attendant and Parking Services Officer perform this walk-through while tailgaters are out, well before the garage starts to fill up closer to game time.</p>	<p><i>Public Works agrees with the recommendation and has already implemented the requested changes. Included in HPG renovation project was funding to repaint the parking space boundaries. All the parking spots in HPG were repainted bright yellow as of March 2018 and this made it easier for parkers to stay in one parking spot. Previously, the parking space boundaries were faded and difficult for drivers to see. In addition, HPG staff and Protective Service Officers will patrol the garage to minimize this from occurring, especially during special events.</i></p>		√		

Parking Services Follow-Up Review

Finding (Missed Revenue Opportunities with Special Event Parking): Continued					
Recommendation 4	Agency Response to 2018 Audit Report	F	P	N	W
All money should be counted in an area with a security camera.	<i>Public Works agrees with the recommendation and has already implemented the requested changes. During the audit period and specifically the surprise special event audit, HPG was under construction, and the main office had to be temporarily relocated to an office in Courthouse Square because of the project. The main office returned to HPG in March 2018 is equipped with new cameras.</i>	√			
Recommendation 5	Agency Response to 2018 Audit Report	F	P	N	W
Gate locks and keys should be changed from the vendor-issued standard locks/keys.	<i>Public Works agrees with the recommendation and has already implemented the requested changes. Many of the gate locks and keys are universal among the parking industry. After initial discussions during the audit, new locks were installed on all gates in early January 2018 by the county locksmith.</i>	√			
Recommendation 6	Agency Response to 2018 Audit Report	F	P	N	W
We recommend Parking Services track overages and shortages from special events for each attendant. Variances should be tracked on a spreadsheet or log, so management can easily and quickly determine the frequency of overages and shortages per employee. Employees with consistent overages or shortages should receive additional training and oversight.	<i>Public Works agrees with the recommendation and has already implemented the requested changes. A spreadsheet has been created noting date, event, and cashier name. In addition, the spreadsheet will be forwarded after each event to the Facility Business Services Manager for monitoring and tracking.</i>	√			

Parking Services Follow-Up Review

Finding (Hilton Valet Parking for Special Events): DIA noted that 1) Hilton Hotel valets would park vehicles outside of the designated Hilton parking areas and 2) Hilton employees would also park outside of the designated areas, taking away revenue-generating spots from the County. 3) Hilton valets were also viewed entering and exiting gates used for the public rather than the gate designated for their use only. 4) HPG and Hilton management lack a clearly stated policy regarding parking spaces. 5) There was also an office on the 4th floor of HPG for Hilton valet operations that was unused but still heated. (Pages 9-12 in 2018 Audit Report)

Recommendations 7-10	Agency Response to 2018 Audit Report	F	P	N	W
<ul style="list-style-type: none"> • Valet and Hilton Hotel employee parking should be limited to the designated areas of HPG. If Hilton Hotel vehicles are parked outside the designated areas, Parking Services should track the instances and subsequently report them to Hilton Hotel management. • Parking Services and hotel management should continue to work towards setting and communicating a policy on Hilton Hotel parking for employees. This is especially important on special event days when the garage is at near or full capacity. • Parking for Hotel valet should be limited to the designated gated areas of HPG. If areas of the designated hotel parking on level 2 or level 3 are unavailable due to construction or repairs, then the vehicles should be parked on level 4 until full. • Parking Services and hotel management should continue to work towards setting and communicating a policy on Hilton Hotel employee parking, especially on special event days when the garage is at near or full capacity. Parking Services should enforce the policy. 	<p><i>Management understands the recommendation of Internal Audit and has already implemented other solutions to correct the issue. During planning of the HPG renovation project designated areas were established specifically for the valet and Hilton guest self-parking. Once the construction project was completed and parking operations returned to normal, it became evident that the Hilton guests were not parking in the designated areas, but in the first open spot.</i></p> <p><i>After several meetings and discussions with our Hilton partner, Public Works management agreed to allow the hotel guests to park in any open parking spot in HPG. To adjust for the hotel parkers parking outside of designated areas, HPG management has authority to direct HPG transient parkers to park in the Hilton designated areas - except on the 4th floor valet. HPG management will open the gates in the designated Hilton areas as needed to compensate for Hilton self-parkers. Our Hilton partner has authorized the County to use up to 100 spots designated for Hilton.</i></p> <p><i>Parking Services and Hilton management are in constant communication with the intent to maximize revenue for both operations. Changes will continue to occur in the parking arrangements at HPG, but both the County and the Hilton are committed to maximize guest experiences and revenues.</i></p>	v			

Update: The agency response is still in effect. While it is possible that the Hilton could, at times, use more spots than they pay for, the County could, at times, use Hilton spaces to accommodate more paying parkers. The intent of the recommendations is to maximize County revenue.

Parking Services Follow-Up Review

Finding (Hilton Valet Parking for Special Events): Continued					
Recommendation 11	Agency Response to 2018 Audit Report	F	P	N	W
Hotel valet access to HPG should be restricted to the Lakeside East entrance and exit, since it is designated for valet use only, especially on special event days to reduce traffic in and out of gates collecting cash.	<i>Public Works understands the recommendation of Internal Audit and has already implemented a blended solution. The County and the Hilton continue to work together to minimize the impact of the valet service on the operations of HPG. Since the completion of the renovation project, the valet is primarily using the Lakeside operations, unless otherwise agreed to in advance. The renovation project caused many temporary problems that have been greatly reduced and corrected.</i>		√		
Update: While the valet services at the Hilton Hotel are primarily using the Lakeside East entrance, they are not strictly limited to using it.					
Recommendation 12	Agency Response to 2018 Audit Report	F	P	N	W
To expediate the valet process, the Hilton Hotel should utilize the office on the 4 th level of the HPG to manage valet vehicles and store vehicle keys. If the office is not used, the office should be locked, and the heat/air conditioning turned off.	<i>Public Works agrees with the recommendation and has already implemented the requested change. The Hilton team is now using the valet office on the 4th floor. The county had not given the Hilton team formal approval to occupy this floor until April 2018 due to ongoing construction needs.</i>	√			

Finding (Missed Revenue Opportunities at Courthouse Square (CS): The exit gate at CS was left open prior to a special event, allowing vehicles to enter without paying. The gate was left open due to the gate having been broken several times in previous months. This was believed to be caused by monthly parkers who worked later than their ID had access to the parking lot and broke the gate to exit the lot. There is no camera at CS of high enough quality to determine who broke the gate. (Pages 13-14 in 2018 Audit Report)					
Recommendation 13	Agency Response to 2018 Audit Report	F	P	N	W
Parking services should consider updating the camera at the CS gates. The camera should be viewable at the HPG office for Protective Services Officers to monitor.	<i>Public Works agrees with the recommendation and this solution will be considered for a future project if funding is available.</i>	√			

Parking Services Follow-Up Review

Finding (Missed Revenue Opportunities at Courthouse Square (CS): Continued					
Recommendation 14	Agency Response to 2018 Audit Report	F	P	N	W
DIA recommends Public Works consider moving the COs to the HPG or under the Justice Center on the weekends, if possible. If not possible, or for the short-term, we recommend Parking Services consider re-programming the cards of the COs at CS so they have access to leave after an extended shift. Parking passes should be programmed to restrict the hours for parkers to enter the lot but allow parkers access to exit at any time.	<p><i>Public Works agrees with the recommendations and PW management will recommend that all CO's be moved from CS to the Justice Center once the Cleveland Police move out in October 2018. The Correction Officers have permission to park at the Justice Center on weekends per their OPBA contract, but some still prefer to park outside at CHSQ lot – this will change as more spots open in October 2018.</i></p> <p><i>Parking Services has contacted PSX to see what options are available to correct and reprogram the cards.</i></p>	v			

Finding (Lost Revenue at Juvenile Justice Center (JJC) Parking Lot): The exit gate at the JJC parking lot was left open on numerous occasions allowing vehicles to exit without paying. Parking Services only collects the cash paid for parking and has no control or access to the parking system at JJC. (Pages 14-16 in 2018 Audit Report)					
Recommendations 15-16	Agency Response to 2018 Audit Report	F	P	N	W
<ul style="list-style-type: none"> DIA recommends that Parking Services assume control of cash operations, gate and machine maintenance, and gain access to parking permit data at JJC. This would allow Parking Services to access system reports and effectively manage monthly parking permits. Public Works should evaluate the investment cost versus return to bring the lot at JJC into Parking Services' iParc system used at HPG. Doing so would allow Parking Services to effectively manage the parking operations at JJC as well as reduce the amount of lost revenue associated with the current parking setup. 	<p><i>Public Works agrees with the recommendation but cannot implement the change at this time. Due to Black Creek controlling the security of the jail and the court rooms along with monthly parking, HPG management does not have access for security reasons. However, a new separate system will be considered in an upcoming capital project that is being planned at the JJC. Due to cost constraints it is not possible at this time. Communication has greatly improved since the audit and Parking Services is informed daily of issues and respond accordingly.</i></p>	v			
<p>Update: The operations and access for Parking Services at JJC have not changed since the audit. Although JJC is still on the Blackcreek system, a purchase order has been issued for new equipment and installation at the JJC. Parking Services will be controlling all aspects of the operations when fully installed.</p>					

Parking Services Follow-Up Review

Finding (Lost Revenue at Juvenile Justice Center (JJC) Parking Lot): Continued					
Recommendation 17	Agency Response to 2018 Audit Report	F	P	N	W
Parking Services should collaborate with Protective Services at the JJC to ensure gate and machine malfunctions are timely communicated to Parking Services. Protective Services at JJC or Parking Services should track these malfunctions to try to determine the amount of revenue lost. The amount of time the gates are left open and the estimated number of vehicles exiting without paying should be tracked, if possible.	<i>Public Works agrees with the recommendation and has already implement the recommended change. Communications between Parking Services and the Protective Service Officers has improved significantly since the report. Any issues are reported directly to HPG management team and they respond immediately.</i>	√			
Update: A purchase order has been issued for new equipment and installation at the JJC, which would alleviate this issue.					

Finding (Databases Were Not Timely Updated to Reflect Employee Terminations): There were 113 terminated employees who still had access to parking areas because just because County ID was deactivated it still needs to be deactivated by Parking Services. HR did not inform Parking Services when Executive agency employees were terminated. (Pages 16-17 in 2018 Audit Report)					
Recommendations 18-19	Agency Response to 2018 Audit Report	F	P	N	W
<ul style="list-style-type: none"> • DIA recommended Parking Services remove access to County-owned parking lots for the terminated employees and remove the duplicate cards from current employees identified during the audit. Parking Services indicated this recommendation was addressed during the audit. • Human Resources should add Parking Services to the employee termination distribution list. 	<i>Public Works agrees with the recommendation and has already implemented the recommended change. The parking database has been updated and all terminated/ separated employees access have been deactivated. In addition, all duplicated cards have been corrected. Parking Services is receiving timely staffing updates from Human Resources and updates the database accordingly.</i>	√			

Parking Services Follow-Up Review

Finding (Daily Reconciliation Variances Were Not Tracked and Monitored): There were variances between the amount of cash deposited from HPG and JJC and what was reported on machine receipts. (Pages 18-21 in 2018 Audit Report)					
Recommendation 20	Agency Response to 2018 Audit Report	F	P	N	W
Parking Services should track and monitor reconciliations and any variances per collection machine at HPG and JJC. This will allow Parking Services management to monitor the performance of each machine. Parking Services should make explanative notes on variances and reasons that may account for the variances, if known, when reporting to PW Fiscal.	<i>Public Works agrees with the recommendation and has already implemented the recommend change. Parking Services is tracking variances when they occur on an Excel worksheet prepared by DIA during their testing and audit. All variances are being sent to the Facility Business Services Manager for review and monitoring.</i>	v			
Recommendations 21-22	Agency Response to 2018 Audit Report	F	P	N	W
<ul style="list-style-type: none"> DIA recommends a member of PW Fiscal gain an understanding of the support sent from Parking Services and track/analyze variance amount trends. PW Fiscal should question frequent variances. All receipts relating to money removed from or added to automated machines should be maintained to help verify deposits. 	<i>Public Works agrees with the recommendation and has already implemented the recommended change. The Facility Business Services Manager is reviewing the support from Parking Services and will track variances and trends. Parking Service scans and staples machine reports to the reconciliation work sheets. This information is being sent to Business Services Manager for review and audit.</i>	v			
Recommendation 23	Agency Response to 2018 Audit Report	F	P	N	W
Since the machines at JJC are outdated and unreliable, Public Works and the Juvenile Court should consider updating these machines to allow Parking Services the oversight needed to accurately and completely manage and report on that parking facility and maximize revenue and accountability for the County.	<i>Public Works agrees with the recommendation and will consider replacing the machines as part of a larger project as funding becomes available.</i>	v			
Update: The operations and access for Parking Services at JJC have not changed since the audit; however, a purchase order has been issued for new equipment and installation at the JJC, and Parking Services will be controlling all aspects of the operations when fully installed.					

Parking Services Follow-Up Review

Finding (No Segregation of Duties Around Cash Collection and Reconciliation): The Parking Services Supervisor is responsible for collecting cash from ticket machines, counting the cash, reconciling cash counted to receipts, securing cash in the safe, and preparing/making deposits at the bank, without further review. (Pages 21-23 of 2018 Audit Report)					
Recommendation 24	Agency Response to 2018 Audit Report	F	P	N	W
<p>DIA recommends Parking Services implement policies to address the segregation of duties issue to decrease the risk of one person performing all the functions of the cash reconciliation process. Those policies should be included in the new PPM, which is being revised, as of the report date.</p>	<p><i>Public Works agrees with the recommendation and has already implemented the requested change. Parking Services has updated the Policy and Procedure Manual and employees are now following the new processes. When applicable, employees have been instructed to bag deposits for the manager to count and verify. Deposit slips will be completed by the manager or other Fiscal Employees. The Facilities Business Services Manager will be available to verify funds as a backup to the parking supervision team. In addition, Public Works management has authorized the hiring of a part time manager and two temporary employees to help as needed especially with special events.</i></p>	v			
Recommendation 25	Agency Response to 2018 Audit Report	F	P	N	W
<p>We recommend a second employee accompany the supervisor during the cash collection, observe the reconciliation process and sign off on all paperwork as well. This could be performed by an existing staff member or by hiring a part-time office assistant with the proper background who could also help with recordkeeping. If this is not operationally feasible, we recommend the Parking Services Manager sign off as a reviewer prior to depositing cash collected. The Parking Services Manager’s review indicates cash was accurately reconciled and supporting documentation was maintained, complete, and accurate.</p>	<p><i>Public Works agrees with this recommendation and has already implemented the requested change. The Parking Services Manager is signing off on deposits. In addition, the Facility Business Manager will provide backup verification when needed. Public Works management has approved the hiring of one part time manager and two part time cashiers to help in with staffing needs, especially during special events.</i></p>	v			
<p>Update: Parking Services recently hired a PT employee to help with the office work and reconciliations.</p>					

Parking Services Follow-Up Review

Finding (No Segregation of Duties Around Cash Collection and Reconciliation): Continued					
Recommendation 26	Agency Response to 2018 Audit Report	F	P	N	W
During special events, the Supervisor should not collect cash at parking lots. If the Supervisor must collect cash, a second Parking Services employee should accompany the Supervisor while counting the cash collected and tickets sold. Both employees should sign off on the reconciliation.	<i>Public Works agrees with this recommendation and has already implemented the recommended change. Supervisors will no longer collect cash at parking lots. In the event the supervisor has to collect cash, the parking Manager or Business Services Manager will verify the cash and sign off on the deposit.</i>	√			

Finding (Policies and Procedures Manual Outdated): Parking Services has outdated versions of their Policies and Procedures Manual (PPM) that do not reflect process changes related to newly installed automated ticket and collection machines. There is also no mention of Protective Services Officers' responsibilities related to special event days in either the PPM or in the Protective Services Post Orders for HPG. (Pages 24-25 in 2018 Audit Report)					
Recommendation 27	Agency Response to 2018 Audit Report	F	P	N	W
DIA recommended Public Works and Parking Services update their PPM to reflect current processes and situations during Parking Services' daily operations. Parking Services provided an updated draft PPM to DIA during the audit.	<i>Public Works agrees with the recommendation and has already implemented the recommended change. The policy and procedures manual was updated to reflect the current automated system at HPG and other lots. The completed manual was reviewed by IA and is posted for all HPG employees.</i>	√			
Recommendation 28	Agency Response to 2018 Audit Report	F	P	N	W
Parking Services management should determine the amount of money kept in the safe to safely meet their needs based on historical data. This process should be noted in the manual and periodically reviewed. The safe should be periodically audited by the Parking Facilities Manager to ensure compliance with the PPM.	<i>Public Works agrees with this recommendation and has already implemented the recommended change. The Facility Business Manager will periodically audit and verify the funds in the safe.</i>	√			
Update: While there is no set amount listed in the PPM for safe money, there is an understood amount and the safe is periodically audited. The dollar amount needed is based on change needed for scheduled events.					