

# Report Highlights

## Parking Revenue Controls Audit

### October 2018



25 of the City-owned parking lots and structures in Long Beach are managed by a parking vendor. These locations bring in nearly \$9 million in revenue annually. Due to the high dollar amount, large volume of transactions, and acceptance of cash and in-person payments, the City must improve oversight to ensure controls are in place to safeguard that revenue.

## arking Lots and Structures

### How Customers Pay for Parking in Long Beach:

Daily parking, permit,  
and special event  
revenue in 2017:



Automated Parking  
Machines = \$5.8M



In-Person = \$850K



Online = \$1.9M

### We Identified a Need for Improvement in the Following Areas:



#### Understanding the Data

City and vendor staff did not understand all data contained in parking machine transaction reports. The City was not receiving documentation to support all revenue.

*The City received nearly \$400,000 from online payments for permits and special events in 2017. The support for these payments was not provided or insufficient, so the City could not verify whether these payments represented all revenue.*

The City may not have received all of the revenue.



#### Cash Handling Controls

Handling revenue in dual custody and with separation of duties was not always occurring. Deposits were delayed.

*Over \$63,000 was received in checks through the mail in a sample of 3 months. Only one person handled this revenue collection.*

*Nearly \$850,000 was collected in person and deposited at the parking office in 2017. It took an average of 6 days for these payments to be deposited when it should be within 24 hours.*

Theft could occur without detection.



#### Review & Reconciliation

Some credit card revenue was not deposited timely and the City was not aware of the extent of the issue. Key card inventory and usage was not reviewed.

*At least 722 credit card transactions totaling \$2,100, in a sample of 3 months, were processed late. Some were processed up to 5 months late.*

*The vendor manually billed customers for monthly key cards, making it more difficult to track payments. One payment for \$6,105 was not paid to the City.*

Customer credit card charges were delayed. Missing payments could go undetected.

### SIGNIFICANT RECOMMENDATIONS FOR CITY AND PARKING VENDOR:

- Obtain access to all parking machine transaction reports and learn how to interpret the data. Require documentation to support all revenue.
- Institute dual custody and separation of duties controls; decrease the amount of cash handled by accepting credit card payments at the parking office and encouraging customers to pay online when possible; and deposit revenue within 24 hours of receipt.
- Review and reconcile all revenue to source transaction reports and the bank.

The City and new parking vendor agreed with all our recommendations and stated they have made multiple changes to address them. Documentation to support all revenue is being submitted, cash handling procedures have been improved, credit card payments are now accepted at the office, and reconciliations are being performed.

For the full report, please visit: [CityAuditorLauraDoud.com](http://CityAuditorLauraDoud.com)



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