

Management Responses to the City of Santa Monica Parking Contract Review

By Parking Operations Division, Community Development Department, City of Santa Monica

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## **A. Employee Parking Cards**

1. Finding: Parking card monitoring could be improved to ensure that all active cards are issued appropriately and that cards are deactivated timely upon an employee's termination or when a third-party (non-employee) ceases work with the City.

**Recommendation:** Develop a process for actively monitoring employee and non-employee parking cards and ensure parking cards are deactivated timely upon an employee's termination or a non-employee no longer requiring access.

**Manager's Response:** We agree. The Division will develop a process between Parking Operations and Human Resources to monitor and provide information of terminated employee and non-employee to SP+ in a timely manner for the purposes of deactivation of parking access media.

2. Finding: Access to the activation/deactivation function for City parking cards within the SKIDATA system is not adequately restricted.

**Recommendation:** Properly restrict system access to SKIDATA activation/deactivation functions to City employees and SP+ personnel who warrant access based on their current roles within the City's parking function.

**Manager's response:** We agree. The Division will review SP+ access policy and confirm access restrictions for activation/deactivation be limited to managers explicitly directed to make changes on behalf of the City. All others will be limited to read-only modes to verify active key card use.

## **B. SP+ Reporting to the City**

3. Finding: Required monthly reports are not consistently submitted to the City by the established deadline.

**Recommendation:** Establish a process to ensure reports are submitted by the required deadlines, even in the event of an employee's absence. Ensure reports are submitted by the deadlines presented in the Agreement, or document an alternate due date (i.e., the 15th) that is acceptable to both the City and SP+.

**Manager's response: We concur with this finding. Division staff will work with SP+ staff to ensure that all required operating reports are produced and presented by their contractually established due dates.**

#### **C. Daily cash Collections, Deposits, Reporting, and Reconciliations**

4. Parking Access and Revenue Control System (PARCS) equipment generated reports were not being submitted to Division daily, as defined by the Agreement.

**Recommendation: SP+ should evaluate how their internal process for preparing and submitting daily reporting packages to the Division could be improved to ensure the 48-hour deadline is consistently met.**

**Manager's response: We concur with this finding. SP+ staff will evaluate internal processes to improve upon submittal deadlines. The Division will review these processes to ensure 48-hour deadlines are met consistently.**

#### **D. SP+ Invoicing the City**

5. Finding: It is unclear whether SP+ is required to follow procurement requirements (due diligence, bids, proposals, etc.) for purchases made on the City's behalf.

**Recommendation: Clarify with SP+ as to whether the City's AI must be followed for all purchases made on the City's behalf.**

**Manager's response: The Division will clarify this requirement with SP+. Generally, SP+ follows fair and competitive bid practices for provision of third-party services and equipment supplies but City will confirm to what extent the contract requires closer adherence to procurement requirements.**

6. Finding: The annual detailed budget process for those expenses that are charged through the SP+ contract as part of the Agreement, is not formalized, and adjustments are not processed formally. Budget to actual tracking is performed; however, it is difficult to trace individual purchases to budget line-items.

**Recommendation: SP+ and the Division should collaborate to prepare operating budgets on a yearly (fiscal) basis, as it relates to expenses through the Agreement. The budgets should be agreed to and significant changes should be documented and approved.**

**The recording of actual expenditures against budgeted line-item categories should be evaluated for more accurate ways to monitor budget to actual by line-item.**

**Manager's response: The Division concurs on this request and will continue to refine monitoring and approval processes.**

#### **E. Parking Equipment and Maintenance Tracking**

7. Finding: Some of the City's parking equipment, and the related systems the equipment runs on, is nearing end of life. Additionally, there is limited tracking of maintenance issues or equipment problems related to parking equipment.

**Recommendation: The overall age of the City's parking equipment, the systems the equipment runs on, and the impact/cost of using older equipment should be assessed.**

**Manager's response: The Division agrees with this. Industry best practices indicate that new equipment be listed with its expected useful life, include a regular maintenance schedule and parts consumed, and that prior to end of useful life, an assessment be done to consider replacement options based on return on investment.**

#### **F. Accounts Receivable/ Billing Collections and Monitoring**

8. Finding: There are large A/R credit and debit balances in the 120 days or older category that have not been fully addressed to remove them from the A/R listing. Systems access to the billing system is not restricted to only individuals with billing responsibilities.

**Recommendation: SP+ should work with the City to ensure the old A/R is cleaned up in the system, and that only balances in which collection efforts are currently being made on, are included. Old accounts should be written-off allowing for more accurate reporting and monitoring of the rolling A/R balances. Systems access should be restricted to only those individuals that are responsible for billing activities related to the City of Santa Monica A/R.**

**Manager's response: The Division concurs. City staff will arrange with SP+ to address outstanding A/R clean-up issues as a first order priority, and address access authority.**

#### **G. Standard Operating Procedures (SOP)**

9. Finding: Many of the SOPs that SP+ is required to develop and keep current, in accordance with the Agreement, were either incomplete, did not appear sufficient to meet the requirements or did not exist.

**Recommendation: SP+ should review all SOPs, compare them to Agreement requirements, make updates or draft new SOPs to meet the requirements of the Agreement, and obtain City approval.**

**Manager's response: The Division agrees with this finding and will implement such measures.**