

**GOVERNMENT OF THE DISTRICT OF COLUMBIA  
OFFICE OF THE INSPECTOR GENERAL**

**AUDIT OF PARKING LOT REVENUE  
AT THE UNIVERSITY OF THE  
DISTRICT OF COLUMBIA**



**CHARLES J. WILLOUGHBY  
INSPECTOR GENERAL**

**GOVERNMENT OF THE DISTRICT OF COLUMBIA**  
**Office of the Inspector General**

Inspector General



June 19, 2009

Dr. Allen Sessoms  
President  
University of the District of Columbia  
4200 Connecticut Avenue, N.W.  
Washington, D.C. 20008

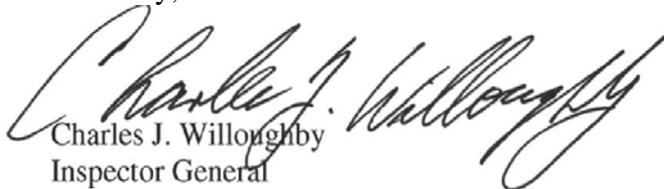
Dear Dr. Sessoms:

Enclosed is our final report summarizing the results of the Office of the Inspector General's (OIG) Audit of Parking Lot Revenue at the University of the District of Columbia (OIG No. 08-2-03GG).

As a result of our audit, we directed nine recommendations to the University of the District of Columbia (UDC) for necessary actions to correct reported deficiencies. We received UDC's response to the draft report on June 8, 2009. UDC concurred with all of the recommendations. We consider UDC's planned and/or taken actions to be responsive to our recommendations. The full text of UDC's response to the draft report is included at Exhibit D.

We appreciate the cooperation extended to our staff during this audit. If you have any questions, please contact William J. DiVello, Assistant Inspector General for Audit, at (202) 727-2540.

Sincerely,

  
Charles J. Willoughby  
Inspector General

CJW/lw

Enclosure

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**AUDIT OF PARKING LOT REVENUE AT THE  
UNIVERSITY OF THE DISTRICT OF COLUMBIA**

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## EXECUTIVE DIGEST

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### OVERVIEW

The District of Columbia Office of the Inspector General (OIG) has completed an audit of parking lot revenue at the University of the District of Columbia (UDC). This audit was initiated at the request of the former Acting UDC President due to concerns pertaining to internal controls over parking lot revenue, space utilization, and the feasibility of automating parking lot operations.

Our audit objectives were to determine whether: (1) internal controls over parking revenue and financial reporting are adequate; and (2) efficiencies can be gained by implementing automated systems to collect parking fees.

### CONCLUSIONS

This report contains two findings that detail the conditions documented during the audit. Our first finding discusses our review of internal controls over collection of cash receipts for parking operations that included analyses of fluctuations in daily parking revenue, (particularly during evening hours), inadequate control and accountability of parking decals, the need to modify re-entry procedures to require an additional fee, and discrepancies in the reporting of parking revenue. Further, we noted a need to segregate cashier duties for receiving and approving parking decal applications, issuing parking decals, and receiving and reporting parking decal revenue; and parking lot attendant responsibilities for collecting and reconciling daily cash receipts. In addition, there were no supervisory reviews of daily cash reconciliations and UDC had not developed comprehensive written procedures for its parking operations.

These conditions pose serious risks to the integrity of financial information, proper handling of cash receipts, and continuity of parking operations in the event of turnover or prolonged absence of key personnel. Many of the internal control deficiencies would be mitigated if parking lot operations were fully automated.

Our second finding discusses benchmarking at surrounding universities we performed at the request of UDC management to aid in determining alternative ways for operating UDC parking facilities, particularly the feasibility of automating parking lot operations. Our benchmarking results provide UDC with data detailing parking garage/lot practices and technology used by comparative educational institutions in the surrounding metropolitan area to aid management in making an informed decision as to whether UDC should automate its parking garage operations. We believe that improvements can be made to UDC's parking lot operations based on our benchmarking efforts.

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## EXECUTIVE DIGEST

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### SUMMARY OF RECOMMENDATIONS

We directed nine recommendations to UDC that we believe are necessary to correct deficiencies noted in this report. The recommendations center in part on:

- improving processes for the collection of parking revenue;
- revising parking re-entry procedures to require an additional fee;
- instituting procedures for proper cancellation of invalid cash register sales;
- reconciling cashier office and finance office daily revenue reports;
- using annual decal sales statistics as a basis for annual decal inventory purchases;
- ensuring that cashier duties and parking lot attendant duties are adequately separated for control purposes; and
- performing effective supervisory reviews of cash reconciliations to provide reasonable assurance over the accuracy, integrity, and security of recorded cash receipt transactions.

We also recommended that UDC implement an automated parking garage system to improve the efficiency and effectiveness of its parking operations.

A summary of the potential benefits resulting from the audit is included at Exhibit A.

### MANAGEMENT ACTIONS AND OIG COMMENTS

On June 8, 2009, UDC provided a response to the recommendations in our draft audit report. UDC's response fully addresses all of the recommendations, and we consider UDC's planned and/or taken actions to be responsive to the recommendations. The full text of UDC's response is included at Exhibit D.

## INTRODUCTION

### BACKGROUND

The University of the District of Columbia (UDC) offers over 75 undergraduate and graduate academic degree programs through the following colleges and schools: College of Arts and Sciences; School of Business and Public Administration; School of Engineering and Applied Sciences; and the David A. Clarke School of Law. Additionally, the University’s public service arm, the Division of Community Outreach and Extension Services, offers a variety of nonacademic educational programs and training to the citizens of the District of Columbia. There are currently 5,268 students enrolled at UDC.

UDC offers parking facilities to its faculty, staff, students, and visitors. UDC has 933 parking spaces with 858 (92 percent) available for fee-based parking, and the remaining 75 (8 percent) reserved for permit or free parking services to specific UDC officials. UDC parking facilities are located on campus, and at locations that are within walking distance of the university. UDC’s Van Ness Main Campus parking facility provides most of the fee-based parking spaces. Table 1 below shows a breakdown of available parking spaces.

Parking Facility	Available Spaces	Reserved Faculty	Reserved Staff	Reserved Contractors	Handicap
Van Ness Main Campus	758	36	47		14
Holiday Inn Roof Top (Permit Parking Only)	57			8	
Building 52 (Underground Per Daily)	85	4	1		
Building 52 Rear	6		1		
Loading Dock (Free)	14		14		
Building 47 (Free)	6		1		
Breezeway (Free)	6		1-President		5
Building 46 Circle (Free)	1		1-President		
<b>Total</b>	<b>933</b>	<b>40</b>	<b>66</b>	<b>8</b>	<b>19</b>

Operations at the Van Ness Main Campus parking facility are staffed with three parking attendants who are responsible for collecting parking fees, reconciling daily receipts, depositing daily collections, and monitoring the facilities for violations of established parking regulations. The parking lots are available for use Monday through Friday between the hours of 6:00 a.m. and 9:00 p.m.

## INTRODUCTION

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### OBJECTIVES, SCOPE, AND METHODOLOGY

Our audit objectives were to determine whether: (1) internal controls over parking revenue and financial reporting are adequate; and (2) efficiencies can be gained by implementing automated systems to collect parking fees. The period of this audit covers transactions during fiscal years (FY) 2006 through 2008. We initiated the audit in response to a request from the former Acting UDC President who expressed concerns about internal controls over parking lot revenue collections, space utilization, and operating parking facilities on weekends. In our initial meetings with the then Acting President, he also noted interest in the feasibility of automating parking lot operations.

To accomplish our audit objectives, we interviewed appropriate personnel to gain a general understanding of procedures UDC uses to collect and record parking revenue. We conducted tours of the parking facilities and observed the parking lot attendants' daily activities. We also reviewed relevant financial and operational records to assess the adequacy of accounting and management controls over parking operations.

Further, we conducted benchmarking of other colleges and universities in the metropolitan area that operate parking facilities to: (1) determine how such institutions operate their parking facilities; and (2) provide UDC management with useful information reflecting alternative methods for operating its parking facilities efficiently and effectively. We obtained data for our benchmarking studies from the following institutions of higher education:

1. Howard University
2. American University
3. George Washington University
4. Prince Georges Community College

Our audit did not rely on computer-processed data as a basis for our audit findings and recommendations. We did not conduct tests of either the reliability of the data or the controls over the computer-based system that produced the data. We conducted this performance audit in accordance with Generally Accepted Government Auditing Standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. Based on our audit objectives, we believe that the evidence obtained provides a reasonable basis for our findings and conclusions.

## INTRODUCTION

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### PRIOR AUDITS AND REVIEWS

**Audit of Parking Fee Revenues at the University of the District of Columbia, Report No. OIG-19-99GF-9919, dated July 26, 1999.** The audit identified several deficiencies, including the theft of \$69,006 in parking lot revenue. The audit also noted that UDC:

- Lacked written policies and procedures over the cash collection and depositing of parking revenue; and UDC did not properly reconcile and maintain parking revenue records.
- Did not properly segregate cash collection duties. Parking lot personnel collected revenue, prepared reconciliation sheets, prepared deposit tickets, and deposited cash.
- Did not properly safeguard daily cash collections. Parking lot personnel were placing cash collections in a desk drawer because they could not remember the safe combination access codes.

The condition related to inadequate segregation of cash collection duties remains unresolved. During our audit, we found that key functions related to the receipt, recordation, and deposit of parking revenues were performed by the same individual. Additionally, we noted that supervisory reviews of the cash reconciliations were not routinely conducted to timely detect and address irregularities in the cash receipt process. Although written policies and procedures were developed to address parking lot collections and deposits of parking revenue, policies still need to be developed to cover all aspects of the cash receipt process. The conditions cited above are discussed in Finding 1.

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## FINDINGS AND RECOMMENDATIONS

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### FINDING 1: PARKING LOT OPERATIONS

#### SYNOPSIS

The audit disclosed that UDC had inadequate internal controls over collection of cash receipts for parking operations. In addition, we found a lack of controls and accountability for parking decals, ineffective re-entry procedures for the parking garages, and discrepancies in the reporting of parking revenue.

Further, we found that UDC did not: (1) properly segregate cashier duties; (2) segregate the duties of the parking lot attendants with respect to receiving and recording daily parking revenue; (3) develop written policies and procedures for all key aspects of the cash receipt process; and (4) perform regular supervisory reviews of parking lot operations, particularly cash reconciliations.

Although the audit did not disclose missing funds, UDC is exposed to the risk of losing parking revenue through theft or misappropriation and is unable to timely detect irregularities in cash receipt transactions.

#### UDC Parking Lot Operations-Overview

UDC's parking revenue is generated from the sale of daily parking passes and decals. Parking lot revenue is a component of UDC's special purpose revenue and is used to help offset UDC's total operating costs. During FYs 2006 through 2008, UDC generated over \$1.5 million from parking lot operations. The costs associated with parking operations include the salaries of the parking lot attendants and the printing cost associated with daily parking tickets and decals. The combined salaries for the parking lot attendants for FYs 2006 and 2007 were \$128,989 and \$137,089, respectively. The printing costs for the daily parking passes and decals were \$9,302 and \$9,000 for FYs 2006 and 2007, respectively.

UDC daily parking is offered at the rate of \$3.50 to faculty, staff, and students with valid UDC identification cards. All others, such as visitors or faculty, staff, and students without proper identification, are charged a daily parking rate of \$8.00.

#### DISCUSSION

In evaluating parking lot revenue, we noted fluctuations in daily parking revenue, which when analyzed, were shown to be consistent with parking volume for the particular day. However, we also found that UDC permitted patron re-entry into the parking garage without an additional fee, inadequate control and accountability of parking decals, and discrepancies in reporting parking revenue. In addition, we found that UDC did not properly segregate

## FINDINGS AND RECOMMENDATIONS

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cash handling responsibilities within the cashier's office, nor with respect to the revenue received by the parking lot attendants. Further, UDC lacked adequate written policies and procedures for all key aspects of the parking operations. Some of these conditions were noted in our prior audit of UDC parking operations (see Prior Audits and Reviews). Finally, UDC did not establish controls to ensure that a supervisor reviewed daily cash receipt collections.

**Fluctuations in Daily Revenue.** Based on concerns about potential lost revenue expressed by UDC management officials in our entrance conference, we reviewed financial reports of day and evening parking revenue collected in FYs 2006 and 2007. We found fluctuations in evening parking revenue collections in both FYs wherein UDC parking lot costs per shift exceeded revenue. For example, in instances where evening parking revenue was less than \$200 per shift, UDC operated at a loss because the parking attendants earned an average of \$216 per shift. We analyzed occasions where UDC generated less than \$200 in evening parking revenue per shift. Details of these analyses are shown in Exhibits B and C.

Our analyses did not identify any evidence of revenue lost due to misappropriation of evening parking revenue. We were able to show that nearly all of the instances in FYs 2006 and 2007 where UDC revenue for specific days was less than the average normally collected for those days occurred because:

- UDC classes were not in session (e.g., between semesters);
- the UDC student population was in a lower volume session (summer session);
- no classes were in session due to Spring break;
- classes were not in session for Winter break; or
- the lower than normal revenue was consistent with the average revenue collected for Friday evening classes.

There was only 1 day for which we could not explain the fluctuation in revenue. However, we do not consider this exception to be material.

**Parking Garage Re-Entry Privileges.** We found that UDC allows daily customers to leave the parking facilities (Van Ness and Building 52) and re-enter without paying a fee. Common business practices used by commercial parking facilities and re-entry procedures at comparable educational institutions do not allow customers who purchase daily parking passes to re-enter without paying a fee. We believe that UDC's re-entry policy should be reevaluated and possibly revised to require an additional fee for re-entry as a means of increasing parking revenue.

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## FINDINGS AND RECOMMENDATIONS

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**Inadequate Internal Controls over Parking Revenue and Accountability for Parking Decals.** We found that UDC did not properly segregate the duties of personnel involved in issuing parking decals, establish adequate accountability for parking decal inventory, or implement uniform procedures for reporting parking lot revenue.

Segregation of Cashier Duties. We found that all three cashiers in the cashier’s office accept and approve parking decal applications, issue parking decals, and receive and report parking decal revenue. These three individuals also prepare daily and monthly reports of all revenue received. As a result, cashier office duties have not been adequately segregated between the three cashiers, increasing the risk of misappropriation of funds, falsification of documentation without detection, and potential collusion. We believe that adequate segregation of cash handling duties and the transaction approval function would minimize opportunities for fraud, waste, and abuse in the handling of parking decals and revenue.

Parking Decal Accountability. We attempted to account for parking decals acquired and sold for FYs 2006 through 2008. We found that a surplus of unsold parking decals remained at the end of each fiscal year. For example, UDC purchased 6,800 parking decals in FY 2006 and sold 3,431 (50.5 percent), leaving a balance of 3,369 (49.5 percent) unsold decals. In FY 2007, UDC purchased 5,800 parking decals and sold 3,754 (65 percent), with 2,046 (35 percent) of the decals remaining unsold. Similarly in FY 2008, UDC purchased 5,800 parking decals, and sold only 3,131 (54 percent), leaving a balance of 2,669 unsold decals. Table II below provides a breakdown of parking decals purchased during FYs 2006 through 2008.

<b>Table II – Parking Decals</b>			
<b>Fiscal Year</b>	<b>Decals Purchased</b>	<b>Decals Sold</b>	<b>Unsold</b>
FY 2006	6,800	3,431	3,369
FY 2007	5,800	3,754	2,046
FY 2008	5,800	3,131	2,669
<b>Total</b>	<b>18,400</b>	<b>10,316</b>	<b>8,084</b>

We were unable to conduct a physical inventory of the 5,415 (43 percent) unsold parking decals (in FYs 2006 and 2007) because UDC officials discarded the unsold decals. Consequently, we could not determine whether the unsold decals were fully accounted for in FYs 2006 and 2007. However, for FY 2008, we were able to conduct a physical inventory of the 2,669 unsold parking decals and were able to account for all.

## FINDINGS AND RECOMMENDATIONS

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Overall, we believe UDC should gauge the procurement of parking decals based on prior year's sales volume. Purchasing such a large quantity of parking decals and concluding each FY with a significant portion of the decals unsold is a waste of resources, and could provide opportunities for theft or other fraudulent activities. In view of these concerns, UDC needs to make better projections of annual decal purchases.

Reporting of Parking Revenue. We found inconsistencies in the reporting of parking revenue. Our comparison of the cashier's office report of daily cash receipts from parking operations to the related finance division report revealed discrepancies. We found that the cashier's office and the finance division record cash deposits differ at the end of a month. For instance, when a month ends on a Friday or the weekend, the daily parking revenue is deposited the next business day and recorded in the following month by the cashier's office. The finance division, on the other hand, records revenue the day it is actually received. The finance division prepares a monthly financial report reflecting the data extracted from the cash reconciliation sheets prepared by the parking lot attendants.

Our review of FYs 2006, 2007, and 2008 financial reports identified discrepancies totaling \$1,838 when we compared the parking revenue amount reflected on the cashier's office report to the corresponding revenue category on the finance division's report. Our analysis indicated that the discrepancies were due to the timing of reported revenue. We found that the finance office had not reconciled its reported deposits with balances recorded by the cashier's office. These reconciliations would have detected and reconciled the month-end deposit differences.

The finance office needs to regularly reconcile the cashier's office reports of daily parking revenue to the corresponding finance division reports to identify discrepancies and take prompt remedial action.

### **Segregation of Parking Lot Attendant Duties**

Parking lot attendants are responsible for receiving and reconciling daily cash receipts, which is a key function of the parking lot revenue process. We found that duties were not properly segregated among parking lot attendants, and there was no evidence of supervisory review of daily cash collections and reconciliation. Because the parking lot attendants are responsible for receiving and recording daily revenue, it is essential that supervisory review of parking lot sales and daily cash collections be conducted on a frequent basis. Also, UDC officials should consider changing their current policy and require parking lot attendants to reconcile revenue collected by the attendants that they relieve. This practice would provide segregation of duties and a deterrent to pilferage or theft.

## FINDINGS AND RECOMMENDATIONS

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We reviewed 246 and 236 cash reconciliation sheets completed in FYs 2006 and 2007, respectively. During our review of the cash reconciliations, we identified a recurring problem in which parking revenue was overstated and did not accurately reflect what was documented as collected at the end of each shift. In 12 instances, the parking booth cash register tape totals were more than the cash submitted to the cashier's office for deposit. According to an UDC official, the discrepancies were due to human error in hitting the summary key on the cash register more than once, thereby generating transactions that did not occur. The 12 instances involved small cash amounts that totaled \$80. However, normal retail sales protocol would be to have a supervisor void an invalid sale, thus accounting for any cash register errors and avoiding differences between cash register tallies and cash collections. We also found numerous instances where cash register receipts were not attached to the cash reconciliation sheets.

The lack of segregation of duties among parking lot attendants and the use of improper procedures for correcting cash register errors could increase the risk that thefts, processing errors, and other irregularities in parking operations will not be timely detected and remedied by appropriate UDC officials.

### **Written Procedures**

UDC did not have adequate, written cash-handling procedures for its parking operations. UDC's current written procedures for parking operations only document the role and function of the parking lot attendants. The procedures did not identify key staff nor the approval and supervisory review processes. Also, the formal procedures did not include the role and functions of the UDC Cashier's Office in connection with handling parking revenue.

Additionally, the procedures did not include the role and responsibilities of certain personnel in UDC's finance division who perform steps in the parking lot revenue process (e.g., a senior accountant in the finance division prepares monthly reports detailing the collected daily parking revenue).

To ensure minimal impact on UDC parking operations in the event of turnover, absences, or changes involving parking personnel, UDC needs to: (1) identify all critical functions in its parking operations; and (2) ensure that written policies and procedures exist for those functions in order to provide clarity of management directives, define duties and responsibilities of key personnel, and ensure uniform interpretation of acceptable practices.

## **FINDINGS AND RECOMMENDATIONS**

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### **Supervisory Review**

Our review of supporting documentation for daily cash receipts did not indicate any evidence of supervisory review or approval. The documents reviewed included cash reconciliation sheets and supporting documentation obtained from the finance division.

We reviewed 482 cash reconciliation sheets for FYs 2006 and 2007, and none documented supervisory review or approval. There were several errors found during our review of the financial documents and supporting documentation. We believe that if a supervisor or third party had reviewed or participated in the cash reconciliation process, these errors would have been prevented, or detected and resolved in a timely manner. Eventually, these errors were detected after the supporting documentation was submitted to the finance division.

Effective internal controls require that a supervisor conduct routine examination and reconciliation of cash transaction records to official accounting records in order to verify the accuracy of the records, the appropriateness of the transactions, and compliance with institutional policies. Therefore, we believe that establishing controls to ensure regular supervisory reviews of the cash reconciliation sheets and related financial documents would decrease the possibility of errors occurring during the recording of daily parking revenue.

### **RECOMMENDATIONS**

We recommend that the President, University of the District of Columbia:

1. Separate cashier functions to ensure that different individuals are responsible for accepting and approving parking decal applications, issuing parking decals, and receiving and reporting parking decal revenue.

### **UDC RESPONSE**

UDC agrees with the recommendation, and plans to implement a procedure by fall semester 2009 to separate the receipt of cash from the sale and issuance of parking decals. The full text of UDC's response is included at Exhibit D.

### **OIG COMMENT**

We consider actions taken by UDC to be responsive to our recommendation.

## FINDINGS AND RECOMMENDATIONS

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2. Discontinue the practice of allowing customers who receive daily parking passes to re-enter any UDC parking facility without paying a re-entry fee, and update operating policies and procedures to reflect this new practice.

### UDC RESPONSE

UDC agrees with the recommendation and stated that daily parking passes shall be sold at the parking booth during normal business hours, and customers who purchase daily passes shall not be allowed to re-enter any UDC parking facility without paying. The full text of UDC's response is included at Exhibit D.

### OIG COMMENT

We consider actions taken by UDC to be responsive to our recommendation.

3. Reconcile cashier office reports of daily parking revenue with revenue amounts recorded by the finance division on a regular basis.

### UDC RESPONSE

UDC agrees with the recommendation, and states that a biweekly reconciliation process will be instituted. The cashier's office reports of daily parking revenue shall be reconciled with the revenue amounts recorded by the Finance Division on a biweekly basis. The full text of UDC's response is included at Exhibit D.

### OIG COMMENT

We consider actions planned by UDC to be responsive to our recommendation.

4. Separate cash handling functions among parking lot attendants to include receiving and recording cash receipts, and balancing or reconciling daily cash receipts to related cash recordings.

### UDC RESPONSE

UDC agrees with the recommendation and stated that parking operations will be automated to allow for greater customer service and accountability, eliminating the use of parking attendants. The full text of UDC's response is included at Exhibit D.

## FINDINGS AND RECOMMENDATIONS

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### OIG COMMENT

We consider actions planned by UDC to be responsive to the recommendation.

5. Institute procedures to have a supervisor immediately void invalid cash register sales incorrectly entered by parking lot attendants.

### UDC RESPONSE

UDC generally agrees with the recommendation, and provided that an automated system will not require the invalidation of erroneous transactions. The full text of UDC's response is included at Exhibit D.

### OIG COMMENT

We consider actions planned by UDC to be responsive to the recommendation.

6. Use annual decal sales statistics as a basis for establishing the quantity of inventoried decals that are purchased annually.

### UDC RESPONSE

UDC agrees with the recommendation, and stated that for the past 2 years, UDC has been evaluating the number of unsold decals for each semester, and that they have been successful in reducing the amount of purchased decals going unsold. The full text of UDC's response is included at Exhibit D.

### OIG COMMENT

We consider actions taken by UDC to be responsive to the recommendation.

7. Develop written procedures for all key aspects of parking lot operations including the processes for collecting, recording, depositing, reconciling, and reporting cash receipts.

### UDC RESPONSE

UDC agrees with the recommendation and stated that it plans to produce, implement, and publish processes by fall 2009. The full text of UDC's response is included at Exhibit D.

### OIG COMMENT

We consider actions planned by UDC to be responsive to the recommendation.

## **FINDINGS AND RECOMMENDATIONS**

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8. Conduct supervisory reviews of the cash reconciliations of daily parking revenue and related deposit entries reflected in the general ledger.

### **UDC RESPONSE**

UDC agrees with the recommendation and stated that reconciliations shall be reviewed and signed off by the shift supervisor, and that these reconciliations will be reflected in the general ledger starting July 1, 2009. The full text of UDC's response is included at Exhibit D.

### **OIG COMMENT**

We consider actions planned by UDC to be responsive to the recommendation.

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## FINDINGS AND RECOMMENDATIONS

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<p><b>FINDING 2: PARKING LOT OPERATIONS AT SELECTED UNIVERSITIES IN THE METRO AREA</b></p>
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### SYNOPSIS

As part of our benchmarking review, we obtained and reviewed information from area colleges and universities that have parking operations. We limited our benchmarking efforts to four colleges and universities within the Washington metropolitan area. The goal of our benchmarking efforts was to identify practices that could improve the efficiency and effectiveness of UDC's parking operations. We believe that improvements can be made to UDC parking lot operations based on our benchmarking efforts.

### DISCUSSION

Benchmarking is a structured approach for identifying the best practices from similar industries. Such an approach is aimed at identifying a more efficient and effective process for achieving intended results. Our benchmarking efforts were intended to determine if UDC parking operations could benefit from information gained about other college and university parking operations.

We researched the parking operations at American University, George Washington University, Howard University, and Prince Georges Community College. Below are the results of our benchmarking efforts.

#### **American University (AU)**

AU is located in Northwest Washington, D.C. According to school officials, AU has 23 parking facilities that offer over 2,500 parking spaces. AU offers several parking options for faculty, staff, and students. Each semester, faculty, staff, and students can purchase parking stickers that are placed on car windshields, indicating that parking has been paid for the entire semester. The institution also provides hang tags that are placed on the rearview mirror for vendors and contractors.

In addition to parking stickers, AU has pay-as-you-go machines where faculty, staff, students, and visitors are provided with the option to park hourly or daily (not to exceed \$12.00 per day). These machines accept cash and credit cards as forms of payment. AU does not utilize parking meters or parking gates. Also, AU does not have any paid staff that work as parking lot attendants.

## **FINDINGS AND RECOMMENDATIONS**

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AU has a Student Enforcement Group (SEG), which consists of AU students who monitor the pay-as-you-go machines. When SEG identifies a parking violator, the campus police are alerted. After being alerted, the police issue a parking infraction ticket to the parking violator and the ticket is paid to the campus treasury office. AU offers payroll deduction to faculty and staff to pay for parking fees.

### **George Washington University (GWU)**

GWU is located in Northwest Washington, D.C. According to school officials, GWU operates over 21 parking facilities. GWU has certain parking garages accessible only to faculty, staff, and students. GWU offers a GWorld Card that is similar to a debit card, which allows faculty, staff, and students to add money to the card and use it at any GWU parking facility. The institution's parking facilities are controlled by a security gate and a parking attendant.

GWU parking operations are operated by an outside vendor. When entering GWU parking facilities, a patron must obtain a ticket from a ticket dispensing machine before the security gate allows entrance. When exiting the parking facility, the patron must pay a parking attendant. The fee for parking is based on an hourly rate not exceeding \$16.00 per day.

### **Howard University (HU)**

HU is located in Northwest Washington, D.C. HU has 37 parking lots, with 8 having parking attendants for daily parking and 31 requiring advance payments. These parking lots are patrolled by four enforcement officers. A permit is required for faculty, staff, and students to park on HU Campus. There are no parking meters or parking payment machines. Faculty, staff, students, and visitors who do not have a valid parking permit must pay a daily rate of \$4.00 to park on campus. Before patrons can park in any parking facility that is not maintained by parking attendants, they must obtain a parking permit from the Office of Parking and Shuttle Operations. Similar to AU, HU also offers payroll deduction as a form of payment for the university's faculty and staff.

### **Prince Georges Community College (PGCC)**

PGCC is located in Largo, Maryland. PGCC has 10 parking lots offering more than 2,931 parking spaces. PGCC offers free parking to faculty, staff, and students. However, all cars are required to have valid parking decals visible in the vehicles. The college does not have any meters, parking payment machines, or parking attendants.

## FINDINGS AND RECOMMENDATIONS

### Comparison of Parking Operations

Our benchmarking review showed that one of the four schools (AU) surveyed uses pay-as-you-go parking machines. These machines allow the patron to conduct transactions with a machine instead of a parking attendant. This reduces labor costs and the possibility of theft, thereby strengthening controls over cash collection. There are two institutions that do not use parking attendants and two institutions that offer payroll deduction for faculty and staff. UDC does not offer payroll deduction for its employees. If UDC offered payroll deduction, it would be more convenient for faculty and staff to use the University's parking facilities.

We also found that three of the four institutions reviewed (not including UDC) charge daily parking fees. The average daily parking fee is \$10.00 for visitors and \$6.63 for employees with a valid school ID. Our review found that UDC generally charges less for parking than other educational institutions in the metropolitan area. Currently, UDC allows patrons to park for a minimum fee for the entire day. Faculty, staff, and students that have a valid school ID are charged \$3.00, and all other patrons are charged \$8.00. UDC receives on average 250 daily customers who use the parking garage. For example, if UDC started charging daily customers with a valid school ID a \$10.00 parking fee, approximately \$2,500<sup>1</sup> could be generated in daily parking revenue for the University, which is \$1,300 more than its current average daily parking revenue of \$1,200. We also believe that if UDC changed from a one-time flat fee to an hourly paying system, its parking revenue would significantly increase.

**Table III – Comparison of Parking Facility Operations**

University/ College	No. of Parking Facilities	Parking Payment Machines	Parking Attendants	Website Listing of Parking Policy and Procedures	Revenue Generated is Allocated to Parking Operations	Payroll Deduction as a Form of Payment Option
AU	23	Yes	No	Yes	Yes	Yes
GWU <sup>2</sup>	21	No	Yes	Yes	Yes	No
HU	37	No	Yes	Yes	Yes	Yes
PGCC	10	No	No	No	N/A	No
UDC	8	No	Yes	No	No	No

<sup>1</sup> On average, UDC receives about 250 customers daily in the parking garage. Our calculation is based on 250 customers multiplied by \$10.00.

<sup>2</sup> GWU offers another type of program, the GWorld card, which allows the customer to add money using the Internet or Value Transfer Stations located throughout the campus.

## FINDINGS AND RECOMMENDATIONS

<b>Table IV – Comparison of Daily Parking Rates</b>		
<b>Name of School</b>	<b>Daily Rate For Visitors</b>	<b>Daily Rate w/Valid ID</b>
AU	\$12.00	\$10.00
GWU	\$16.00	\$9.00 <sup>3</sup>
HU	\$4.00	\$4.00
PGCC	N/A	N/A
UDC	\$8.00	\$3.50

Based on these results, we determined that UDC’s current parking rates were less than the average daily parking rates established by two of the three institutions benchmarked. Tables III and IV shown above provide comparisons of parking facility operations and the daily parking rates at the schools reviewed.

### **Automated Parking Equipment**

We researched the availability of commercial parking garage equipment that includes parking garage payment machines, ticket dispensers, and security gates. Our research showed that it is both feasible and beneficial for UDC to acquire automated parking garage equipment. It appears that the equipment is readily available and moderately priced. We also contacted the District Department of Transportation (DDOT) regarding a new pilot program involving solar-power payment machines.

At the Van Ness campus parking garage, we noticed that after peak hours, a cone is placed at the entrance in the right lane to direct all patrons to the left lane because the Van Ness campus parking garage does not have a security gate. However, due to the lack of a security gate, anyone can easily remove the cone and enter without paying. We believe that UDC could reduce the need for campus police to monitor and direct patrons with monthly or yearly parking passes by providing them with key cards that would operate an electronic gate.

Also, this control would reduce the need for the parking attendants to simultaneously monitor patrons with parking decals and collect cash from daily customers. The purchase of this type of automated garage system would strengthen controls over parking operations.

Further, we found that Building 52 is not equipped with a parking booth or parking attendant; therefore, customers desiring to park in Building 52 must go to the Van Ness campus parking garage to obtain a daily parking pass before entering Building 52. We believe that without proper oversight of Building 52, there is a risk of customers entering the building without paying the proper parking fees.

<sup>3</sup> In order for students to receive discounted parking rates, they must purchase a prepaid student ticket (GWorld Card) and use it as the form of payment when entering and exiting the parking garage. However, if the GWorld card is not purchased and used, the daily parking rate of \$16.00 applies.

## FINDINGS AND RECOMMENDATIONS

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According to UDC officials, the campus police patrol all parking facilities and issues parking citations to violators. However, there is still opportunity for individuals to park illegally without getting ticketed for parking violations. This condition increases the risk of significant loss of parking revenue.

There are several viable options available for using commercial parking garage equipment. We identified three options that provide feasible alternatives to the current parking attendant operation:

- **Option 1** – Install a Parking Sentry 10-Foot Gate (bar). A parking sentry gate (bar) could be operated with a key card or a readable ticket dispenser. The gate and ticket dispenser are built with technologically advanced components for minimal maintenance. We found that the typical cost for the gate and ticket dispenser is less than \$10,000.
- **Option 2** – Install a Parking Gate (bar) combined with a card reader. A parking gate combined with a card reader would only allow access to the parking garage with a readable data card. A typical card reader with installation would cost approximately \$3,000. The cost for cards to operate this system is approximately \$9.00 per card.
- **Options 3** – Install a 12-Foot Parking Gate (bar). A 12 foot parking gate bar comes with black and yellow stripes and two batteries. The benefit of installing the parking gate bar would provide parking attendants with access control for the lane patrons using parking decals when entering the garage. The parking attendant would verify that a parking decal is visible before lifting parking gate allowing entry. The cost of this equipment is less than \$2,000, but does not include installation.

We believe that UDC could benefit from implementing an automated parking system at a minimal cost. The purchase of an automated parking system would dramatically reduce the operating costs for parking operations, mainly affecting labor cost with a higher return on investment. Also, the implementation of any of the previously discussed options would significantly reduce or eliminate incidents of illegal entry into the parking facilities, thereby minimizing the risk of loss of parking revenue.

Further, our review found that the cost to purchase and install a fully automated parking system could cost under \$10,000 per unit, which is far less than the annual operating cost of \$137,155 in 2008. Table V below shows total revenue generated from parking lot operations and related operating costs for FYs 2006 through 2008.

**FINDINGS AND RECOMMENDATIONS**

<b>Table V – FYs 2006 through 2008 Parking Lot Revenue</b>				
<b>Fiscal Year</b>	<b>Daily Parking Revenue</b>	<b>Parking Decal Revenue</b>	<b>Total Parking Revenue</b>	<b>Operating Costs</b>
FY 2006	\$312,937	\$313,494	\$626,431	\$128,989
FY 2007	\$280,774	\$356,949	\$637,723	\$137,089
FY 2008	\$133,102	\$112,745	\$245,847	\$137,155
<b>Total</b>	<b>\$726,813</b>	<b>\$783,188</b>	<b>\$1,510,001</b>	<b>\$403,233</b>

**Conclusion**

Our benchmarking research provides UDC with several alternatives to improve its parking operations by generating more revenue, reducing operating costs, and strengthening controls over cash receipts. There are some disadvantages to implementing an automated parking garage system, including the loss of labor resources. However, the advantages of implementing such system outweigh the disadvantages.

**RECOMMENDATION**

9. We recommend that the President of the University of the District of Columbia implement an automated parking garage system to increase parking revenue, reduce operating costs, and strengthen internal controls over parking operations.

**UDC RESPONSE**

UDC agrees with the recommendation and states that vendors are currently being sought and consultation with local universities to determine which automated system will best meet the needs of UDC. Additionally, UDC plans to increase guest parking rates beginning September 1, 2009. The full text of UDC’s response is included at Exhibit D.

**OIG COMMENT**

We consider actions taken by UDC to be responsive to our recommendation.

**EXHIBIT A. SUMMARY OF POTENTIAL BENEFITS  
RESULTING FROM AUDIT**

<b>Recommendation</b>	<b>Description of Benefit</b>	<b>Amount and Type of Benefit</b>	<b>Agency Reported Estimated Completion Date</b>	<b>Status<sup>4</sup></b>
1	<b>Internal Control.</b> Ensures proper segregation of cashier functions over issuing and authorizing parking decals; and receiving and reporting parking decal revenue.	Non-Monetary	September 2009	Open
2	<b>Economy and Efficiency.</b> Establishes policies and procedures for re-entry into parking facilities for daily parking customers that would generate additional revenue for the University.	Monetary TBD	June 8, 2009	Closed
3	<b>Internal Control.</b> Ensures accurate and consistent recording of daily parking revenue.	Non-Monetary	June 8, 2009	Closed
4	<b>Internal Control.</b> Establishes internal controls that would separate parking lot attendant functions to reduce errors and prevent or detect inappropriate financial transactions in parking operations.	Non-Monetary	June 8, 2009	Closed
5	<b>Internal Control.</b> Creates procedures for properly voiding cash register sales entered in error.	Non-monetary	June 8, 2009	Closed
6	<b>Economy and Efficiency and Internal Control.</b> Establishes an appropriate inventory level for unused decals and prevents potential misuse of excess decal inventory.	Monetary TBD	June 8, 2009	Closed

<sup>4</sup> This column provided the status of a recommendation as of the report date. For final reports, “Open” means management and the OIG are in agreement on the action to be taken, but action is not complete. “Closed” means management has advised that the action necessary to correct the condition is complete. If a completion date was not provided, the date of management’s response is used. “Unresolved” means that management has neither agreed to take the recommended action nor proposed satisfactory alternative actions to correct the condition.

**EXHIBIT A. SUMMARY OF POTENTIAL BENEFITS  
RESULTING FROM AUDIT**

<b>Recommendation</b>	<b>Description of Benefit</b>	<b>Amount and Type of Benefit</b>	<b>Agency Reported Estimated Completion Date</b>	<b>Status<sup>4</sup></b>
7	<b>Compliance and Internal Control.</b> Establishes policies and procedures for all key parking lot operations.	Non-Monetary	June 8, 2009	Closed
8	<b>Internal Control.</b> Establishes supervisory reviews to verify the accuracy, appropriateness, and policy compliance of cash receipt transactions.	Non-Monetary	July 1, 2009	Open
9	<b>Internal Control and Economy and Efficiency.</b> Mitigates many of the internal control deficiencies in a manned parking lot operation, reduces operating costs, and increases revenue.	Monetary TBD	June 8, 2009	Closed

<sup>4</sup> This column provided the status of a recommendation as of the report date. For final reports, “**Open**” means management and the OIG are in agreement on the action to be taken, but action is not complete. “**Closed**” means management has advised that the action necessary to correct the condition is complete. If a completion date was not provided, the date of management’s response is used. “**Unresolved**” means that management has neither agreed to take the recommended action nor proposed satisfactory alternative actions to correct the condition.

**EXHIBIT B. ANALYSIS OF LOWER THAN AVERAGE EVENING  
PARKING FEE COLLECTIONS, FY 2006**

Year	Day of Month	Date	Under \$200	Average Amount Collected for the Day <sup>1</sup>	Comments <sup>5</sup>
FY 2006	Monday	12/19/2005	\$107.00	\$603.05	Before Winter Break <sup>3</sup>
FY 2006	Monday	3/13/2006	\$123.50	\$603.05	Spring Break
FY 2006	Monday	5/15/2006	\$151.50	\$603.05	No Classes-Spring Semester Ended
FY 2006	Monday	7/24/2006	\$140.50	\$603.05	No Classes <sup>2</sup>
FY 2006	Monday	7/31/2006	\$106.50	\$603.05	No Classes <sup>2</sup>
FY 2006	Monday	8/7/2006	\$111.50	\$603.05	No Classes <sup>2</sup>
FY 2006	Monday	8/14/2006	\$68.50	\$603.05	No Classes <sup>2</sup>
FY 2006	Tuesday	12/20/2005	\$143.00	\$615.16	Before Winter Break <sup>3</sup>
FY 2006	Tuesday	3/14/2006	\$172.00	\$615.16	Spring Break
FY 2006	Tuesday	5/16/2006	\$106.50	\$615.16	No Classes-End of Spring Semester
FY 2006	Tuesday	6/20/2006	\$137.50	\$615.16	No Classes-Spring Semester Ended
FY 2006	Tuesday	6/27/2006	\$142.00	\$615.16	No Classes-Spring Semester Ended
FY 2006	Tuesday	8/1/2006	\$100.50	\$615.16	No Classes <sup>2</sup>
FY 2006	Tuesday	8/8/2006	\$116.00	\$615.16	No Classes <sup>2</sup>
FY 2006	Tuesday	8/15/2006	\$134.00	\$615.16	No Classes <sup>2</sup>
FY 2006	Wednesday	12/21/2005	\$151.50	\$603.75	Before Winter Break <sup>3</sup>
FY 2006	Wednesday	3/15/2006	\$116.50	\$603.75	Spring Break
FY 2006	Wednesday	5/17/2006	\$130.50	\$603.75	No Classes-Spring Semester Ended
FY 2006	Wednesday	7/26/2006	\$91.50	\$603.75	No Classes-Summer Session Ended
FY 2006	Wednesday	8/2/2006	\$80.00	\$603.75	No Classes <sup>2</sup>
FY 2006	Wednesday	8/9/2006	\$111.50	\$603.75	No Classes <sup>2</sup>
FY 2006	Wednesday	8/16/2006	\$121.00	\$603.75	No Classes <sup>2</sup>
FY 2006	Thursday	12/15/2005	\$60.50	\$603.68	Unexplained
FY 2006	Thursday	1/5/2006	\$178.00	\$603.68	No Classes <sup>2</sup>
FY 2006	Thursday	3/16/2006	\$189.00	\$603.68	Spring Break
FY 2006	Thursday	7/27/2006	\$173.00	\$603.68	No Classes <sup>2</sup>
FY 2006	Thursday	8/3/2006	\$70.50	\$603.68	No Classes <sup>2</sup>
FY 2006	Thursday	8/10/2006	\$163.50	\$603.68	No Classes <sup>2</sup>
FY 2006	Thursday	8/17/2006	\$160.00	\$603.68	No Classes <sup>2</sup>
FY 2006	Friday	10/14/2005	\$180.00	\$222.18	School in Session <sup>4</sup>
FY 2006	Friday	10/21/2005	\$163.50	\$222.18	School in Session <sup>4</sup>
FY 2006	Friday	11/4/2005	\$156.50	\$222.18	School in Session <sup>4</sup>
FY 2006	Friday	11/18/2005	\$174.00	\$222.18	School in Session <sup>4</sup>
FY 2006	Friday	12/9/2005	\$164.00	\$222.18	School in Session <sup>4</sup>
FY 2006	Friday	12/16/2005	\$122.00	\$222.18	School in Session <sup>4</sup>
FY 2006	Friday	1/6/2006	\$165.50	\$222.18	No Classes <sup>2</sup>
FY 2006	Friday	1/27/2006	\$192.00	\$222.18	School in Session <sup>4</sup>
FY 2006	Friday	2/3/2006	\$145.50	\$222.18	School in Session <sup>4</sup>

**EXHIBIT B. ANALYSIS OF LOWER THAN AVERAGE EVENING  
PARKING FEE COLLECTIONS, FY 2006**

<b>Year</b>	<b>Day of Month</b>	<b>Date</b>	<b>Under \$200</b>	<b>Average Amount Collected for the Day<sup>1</sup></b>	<b>Comments<sup>5</sup></b>
FY 2006	Friday	2/10/2006	\$173.00	\$222.18	School in Session <sup>4</sup>
FY 2006	Friday	3/17/2006	\$100.00	\$222.18	Spring Break
FY 2006	Friday	4/28/2006	\$158.00	\$222.18	School in Session <sup>4</sup>
FY 2006	Friday	5/12/2006	\$115.50	\$222.18	School in Session <sup>4</sup>
FY 2006	Friday	5/19/2006	\$91.50	\$222.18	No Classes-Spring Semester Ended
FY 2006	Friday	6/2/2006	\$174.50	\$222.18	Classes-Summer Session
FY 2006	Friday	6/9/2006	\$177.00	\$222.18	Classes-Summer Session
FY 2006	Friday	6/16/2006	\$187.00	\$222.18	Classes-Summer Session
FY 2006	Friday	7/21/2006	\$104.50	\$222.18	Classes-Summer Session
FY 2006	Friday	7/28/2006	\$180.00	\$222.18	No Classes <sup>2</sup>
FY 2006	Friday	8/4/2006	\$134.00	\$222.18	No Classes <sup>2</sup>
FY 2006	Friday	8/11/2006	\$119.00	\$222.18	No Classes <sup>2</sup>
FY 2006	Friday	9/8/2006	\$121.00	\$222.18	School in Session <sup>4</sup>
FY 2006	Friday	9/15/2006	\$147.50	\$222.18	School in Session <sup>4</sup>
FY 2006	Friday	9/22/2006	\$102.50	\$222.18	School in Session <sup>4</sup>
FY 2006	Friday	9/29/2006	\$112.50	\$222.18	School in Session <sup>4</sup>

**Footnotes:**

<sup>1</sup> = Represents the average amount of parking fees collected for a specific day of the week.

<sup>2</sup> = UDC had no classes in session on these days.

<sup>3</sup> = Days Before Winter Break.

<sup>4</sup> = School was in session on these Fridays, which normally have low volume parking.

<sup>5</sup> = Dates of the Fall Semester was 8/22/05 – 12/16/05; the Spring Semester was 1/18/06 - 5/17/06  
and the Summer Session was 5/23/06 - 7/17/06.

**EXHIBIT C. ANALYSIS OF LOWER THAN AVERAGE EVENING  
PARKING FEE COLLECTIONS, FY 2007**

Year	Day of Month	Date	Under \$200	Average Amount Collected for the Day <sup>1</sup>	Comments <sup>5</sup>
FY 2007	Monday	1/8/2007	\$78.00	\$585.50	No Classes <sup>2</sup>
FY 2007	Monday	7/9/2007	\$178.50	\$297.00 <sup>3</sup>	Classes-Summer Session
FY 2007	Monday	7/23/2007	\$157.00	\$585.50	No Classes <sup>2</sup>
FY 2007	Monday	7/30/2007	\$56.00	\$585.50	No Classes <sup>2</sup>
FY 2007	Monday	8/6/2007	\$155.50	\$585.50	No Classes <sup>2</sup>
FY 2007	Monday	8/13/2007	\$185.50	\$585.50	No Classes <sup>2</sup>
FY 2007	Tuesday	1/9/2007	\$83.50	\$585.50	No Classes <sup>2</sup>
FY 2007	Tuesday	2/13/2007	\$56.00	\$544.49	School in Session-Unexplained <sup>6</sup>
FY 2007	Tuesday	3/20/2007	\$196.50	\$544.49	Spring Break
FY 2007	Tuesday	5/15/2007	\$63.00	\$544.49	No Classes-Spring Session Ended
FY 2007	Tuesday	6/19/2007	\$101.50	\$197.22 <sup>3</sup>	Classes-Summer Session
FY 2007	Tuesday	7/10/2007	\$110.50	\$192.22 <sup>3</sup>	Classes-Summer Session
FY 2007	Tuesday	7/17/2007	\$116.00	\$544.49	No Classes-Summer Session Ended
FY 2007	Tuesday	7/24/2007	\$103.50	\$544.49	No Classes-Summer Session Ended
FY 2007	Tuesday	7/31/2007	\$88.50	\$544.49	No Classes <sup>2</sup>
FY 2007	Tuesday	8/14/2007	\$92.00	\$544.49	No Classes <sup>2</sup>
FY 2007	Wednesday	12/20/2006	\$84.50	\$541.10	Before Winter Break
FY 2007	Wednesday	1/3/2007	\$49.00	\$541.10	No Classes <sup>2</sup>
FY 2007	Wednesday	1/10/2007	\$143.50	\$541.10	No Classes <sup>2</sup>
FY 2007	Wednesday	3/21/2007	\$56.00	\$541.10	Spring Break
FY 2007	Wednesday	5/16/2007	\$80.00	\$541.10	No Classes-Spring Session Ended
FY 2007	Wednesday	7/18/2007	\$81.50	\$541.10	No Classes-Summer Session Ended
FY 2007	Wednesday	7/25/2007	\$71.00	\$541.10	No Classes-Summer Session Ended
FY 2007	Wednesday	8/1/2007	\$132.00	\$541.10	No Classes <sup>2</sup>
FY 2007	Wednesday	8/8/2007	\$124.00	\$541.10	No Classes <sup>2</sup>
FY 2007	Wednesday	8/15/2007	\$73.50	\$541.10	No Classes <sup>2</sup>
FY 2007	Thursday	12/21/2006	\$89.50	\$547.75	Before Winter Break
FY 2007	Thursday	1/4/2007	\$93.50	\$547.75	No Classes <sup>2</sup>
FY 2007	Thursday	5/17/2007	\$191.00	\$547.75	Spring Break
FY 2007	Thursday	6/21/2007	\$160.50	\$182.11 <sup>3</sup>	Classes-Summer Session
FY 2007	Thursday	6/28/2007	\$158.00	\$182.11 <sup>3</sup>	Classes-Summer Session
FY 2007	Thursday	7/5/2007	\$63.00	\$182.11 <sup>3</sup>	Classes-Summer Session
FY 2007	Thursday	7/12/2007	\$148.00	\$182.11 <sup>3</sup>	Classes-Summer Session
FY 2007	Thursday	7/19/2007	\$59.50	\$547.75	No Classes-Summer Session Ended
FY 2007	Thursday	7/26/2007	\$67.50	\$547.75	No Classes-Summer Session Ended
FY 2007	Thursday	8/2/2007	\$81.50	\$547.75	No Classes <sup>2</sup>
FY 2007	Thursday	8/9/2007	\$152.00	\$547.75	No Classes <sup>2</sup>
FY 2007	Thursday	8/16/2007	\$96.50	\$547.75	No Classes <sup>2</sup>

**EXHIBIT C. ANALYSIS OF LOWER THAN AVERAGE EVENING  
PARKING FEE COLLECTIONS, FY 2007**

Year	Day of Month	Date	Under \$200	Average Amount Collected for the Day <sup>1</sup>	Comments <sup>5</sup>
FY 2007	Friday	10/13/2006	\$132.50	\$180.69	School in Session <sup>4</sup>
FY 2007	Friday	10/20/2006	\$156.00	\$180.69	School in Session <sup>4</sup>
FY 2007	Friday	11/3/2006	\$155.00	\$180.69	School in Session <sup>4</sup>
FY 2007	Friday	12/15/2006	\$153.00	\$180.69	Before Winter Break
FY 2007	Friday	1/5/2007	\$132.00	\$180.69	No Classes <sup>2</sup>
FY 2007	Friday	2/2/2007	\$123.50	\$180.69	School in Session <sup>4</sup>
FY 2007	Friday	2/9/2007	\$163.00	\$180.69	School in Session <sup>4</sup>
FY 2007	Friday	2/23/2007	\$109.50	\$180.69	School in Session <sup>4</sup>
FY 2007	Friday	3/2/2007	\$141.00	\$180.69	School in Session <sup>4</sup>
FY 2007	Friday	3/9/2007	\$187.00	\$180.69	School in Session <sup>4</sup>
FY 2007	Friday	3/16/2007	\$96.50	\$180.69	Day before Spring Break
FY 2007	Friday	3/23/2007	\$80.00	\$180.69	Spring Break
FY 2007	Friday	4/6/2007	\$158.00	\$180.69	School in Session <sup>4</sup>
FY 2007	Friday	4/20/2007	\$136.00	\$180.69	School in Session
FY 2007	Friday	4/27/2007	\$177.50	\$180.69	School in Session <sup>4</sup>
FY 2007	Friday	5/4/2007	\$165.00	\$180.69	School in Session <sup>4</sup>
FY 2007	Friday	5/11/2007	\$120.00	\$180.69	School in Session <sup>4</sup>
FY 2007	Friday	6/8/2007	\$183.00	\$180.69	Classes-Summer Session
FY 2007	Friday	6/22/2007	\$136.50	\$180.69	Classes-Summer Session
FY 2007	Friday	6/29/2007	\$42.00	\$180.69	No Classes-Summer Session Ended
FY 2007	Friday	7/6/2007	\$84.00	\$180.69	Classes-Summer Session
FY 2007	Friday	7/13/2007	\$106.00	\$180.69	Classes-Summer Session
FY 2007	Friday	7/20/2007	\$79.00	\$180.69	No Classes-Summer Session Ended
FY 2007	Friday	7/27/2007	\$49.00	\$180.69	No Classes-Summer Session Ended
FY 2007	Friday	8/17/2007	\$124.50	\$180.69	No Classes <sup>2</sup>
FY 2007	Friday	8/31/2007	\$157.50	\$180.69	School in Session <sup>4</sup>
FY 2007	Friday	9/7/2007	\$189.50	\$180.69	School in Session <sup>4</sup>
FY 2007	Friday	9/14/2007	\$159.50	\$180.69	School in Session <sup>4</sup>
FY 2007	Friday	9/21/2007	\$138.50	\$180.69	School in Session <sup>4</sup>
FY 2007	Friday	9/28/2007	\$191.50	\$180.69	School in Session <sup>4</sup>

**Footnotes:**

- <sup>1</sup> = Represents the average amount of parking fees collected for a specific day of the week.
- <sup>2</sup> = UDC had no classes in session on these days.
- <sup>3</sup> = Average amounts for days in summer session reflect lower student volume.
- <sup>4</sup> = School was in session on these Fridays, which normally have low volume parking.
- <sup>5</sup> = Dates of the Fall Semester was 8/28/06 - 12/19/06; the Spring Semester was 1/18/07- 5/16/07; and the Summer Session was 5/22/07 - 7/16/07.
- <sup>6</sup> = Unexplained low volume of parking revenue for that day.

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## EXHIBIT D. UNIVERSITY OF THE DISTRICT OF COLUMBIA RESPONSE TO THE DRAFT

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June 8, 2009

Mr. Charles J. Willoughby  
Inspector General  
Office of the Inspector General  
717 14<sup>th</sup> Street, NW  
Washington, DC 20005

Dear Mr. Willoughby:

The University of the District of Columbia is in receipt of the findings and recommendations from the *Audit of Parking Lot Revenue (OIG No. 08-2-03GG)* presented on April 30, 2009 by representatives from the Office of the Inspector General. We would like submit responses to be included in the final report.

**Overview:**

The University of the District of Columbia has been informed of the inadequacies of its parking operations and as a result, this administration plans to implement a number of improvements by fall 2010 to address them. Presently, the University is competitively seeking vendors and consulting with local universities to ascertain the feasibility of automating services to our educational community, where patrons can remit payment for tuition, fees and parking online. We're also seeking to renovate our parking facility in a manner designed to automate parking through the use of; card readers, payment machines, ticket dispensers and security gates. We strongly believe these types of automated services will increase our efficiencies and reduce the risk of theft (potential cash handling). These initiatives will take time; we are suggesting the implementation the following new procedures as an immediate resolution.

**Recommendation 1:**

Separate cashier functions to ensure that different individuals are responsible for accepting and approving parking decal application, issuing parking decals, and receiving and reporting parking decal revenue.

**Response:**

The University agrees with this recommendation and intends to implement the following procedure by FALL SEMESTER 2009:

1. A cash receipt will be separated from issuance of decals. As systems are automated payment will take place electronically through student accounts.

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**Recommendation 2:**

Discontinue the practice of allowing customers who receive daily parking passes to re-enter any UDC parking facility without paying a re-entry fee, and update operating policies and procedures to reflect this new practice.

**Response:**

The University agrees with this recommendation. Daily parking passes shall be sold at the parking booth during normal operating hours. Customers who receive daily parking passes shall not be allowed to re-enter any UDC parking facility without paying. However, this re-entry policy will not be applicable to valid decal holders.

**Recommendation 3:**

Reconcile cashier office reports of daily parking revenue with revenue amounts recorded by the finance division on a regular basis.

**Response:**

The University agrees with this recommendation. The University shall institute a biweekly reconciliation process: The cashier's office reports of daily parking revenue shall be reconciled with the revenue amounts recorded by the Finance Division on a bi-weekly basis. Automation of access control and parking systems will allow for prompt and effective reconciliation.

**Recommendation 4:**

Separate cash handling functions among parking lot attendants to include receiving and recording cash receipts, and balancing or reconciling daily cash receipts to related cash reordering.

**Response:**

The University agrees with this recommendation. Parking will be automated allowing greater customer service and accountability. There will be no parking attendants. Service will be provided at a Customer Service Center.

**Recommendation 5:**

Institute procedures to have a supervisor immediately void invalid cash register sales incorrectly entered by parking lot attendants.

**Response:**

The University agrees in principal with this recommendation. Automated systems will not require the invalidation of erroneous transactions.

**Recommendation 6:** Use annual decal sales statistics as a basis for establishing the quantity of inventoried decals that are purchased annually.

**Response:**

The University agrees with this recommendation. For the past two years we have been evaluating the number of decals remaining for each semester under each category to determine what purchases should be made for the following year. We have been successful in reducing our costs

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comparative to our sales, however, there will always be some unsold decals remaining due to the fact student enrollment variances.

**Recommendation 7:**

Develop written procedures for all key aspects of parking lot operation including the processes for collecting, recording, depositing, reconciling, and reporting cash receipts.

**Response:**

The University agrees with this recommendation and plans to produce, implement and publish processes by fall 2009.

**Recommendation 8:**

Conduct supervisory reviews of the cash reconciliations of daily parking revenue and related deposit entries reflected in the general ledger.

**Response:**

The University agrees with this recommendation. Each reconciliation shall be reviewed and signed off by the shift supervisor to be reflected upon the general ledger by July 1, 2009.

**Recommendation 9:**

We recommend that the President of the University of the District of Columbia implement automated parking garage system to increase parking revenue, reduce operating costs, and strengthen internal controls over parking operations.

**Response:**

The University agrees with this recommendation. We are currently seeking vendors and consulting with local universities to determine which automated system will be adequate for our community. We are also looking to increase revenue by raising our guest parking rate by \$2.00 beginning September 1, 2009.

Regards.

  
Mark Farley  
Vice President