



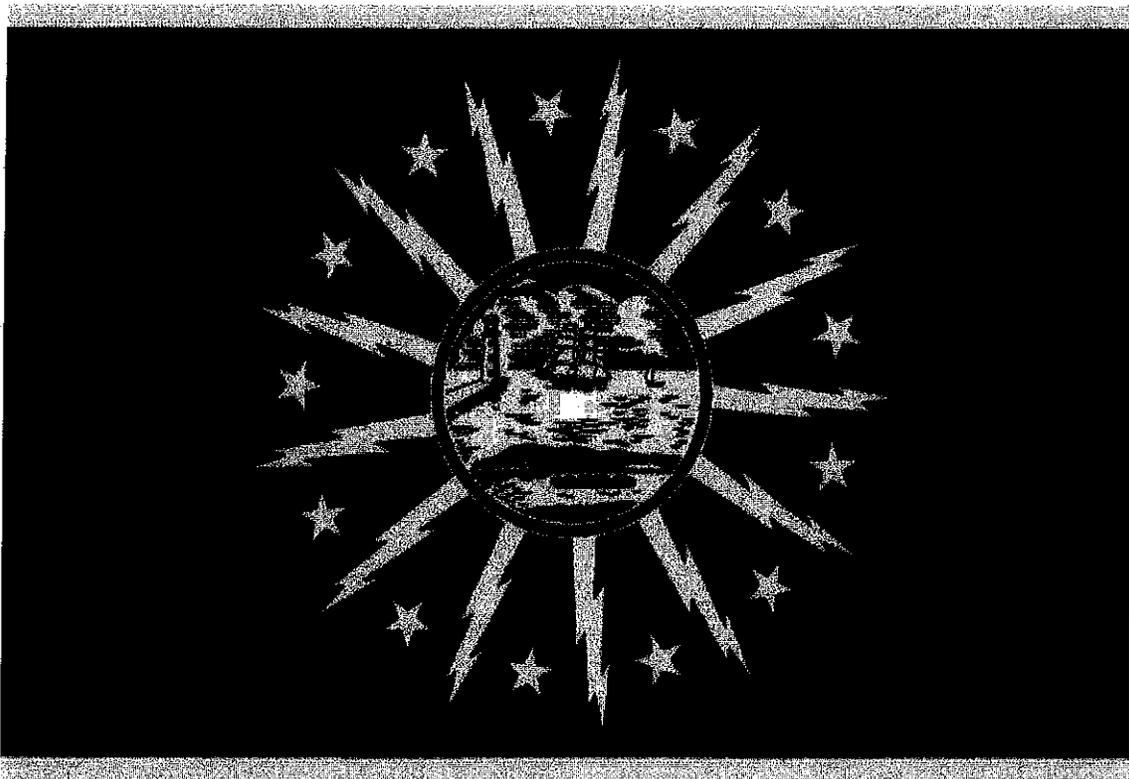
CITY OF BUFFALO  
DEPARTMENT OF AUDIT AND CONTROL

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FOLLOW UP TO AUDIT REPORT ON  
THE DEPARTMENT OF PARKING  
ISSUED OCTOBER 2012

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MARCH 2014

## **Overview**

This report is a follow up to the October 2012 Audit Report on the Department of Parking. The Department of Parking is responsible for enforcing three City services, Towing and Storage Operations, the Parking Violations Bureau, and Parking Meters and Enforcement. As a result of the audit of these processes, several recommendations were made. This report will provide an update on the implementation of the recommendations.

The following terms will be used throughout the audit follow-up report:

**Audit Recommendation** - recommendation from the original audit finalized in October 2012.

**Department Response** – update as to status of implementation of audit recommendation, provided by Commissioner of Parking, Kevin J. Helfer in January 2013.

**Auditor Comments** – commentary provided by Division of Audit related to original audit recommendations, department response and additional procedures performed for the audit follow-up report.

## **Status of Significant Audit Report Recommendations**

### **Towing Performed by Outside Vendors**

**Audit Recommendation:** Towing services performed by Outside Vendors exceeded \$35,000 without a contract. This is a violation of NYS General Municipal Law Section 103. The department should conduct a request for proposal for these services.

**Department Response:** The Department of Parking put out a Request for Proposal (RFP) for towing services and received four responses. A review committee chose a contractor to perform towing services. The Contract is being reviewed by the Law Department. Once complete, Common Council approval will be sought.

**Auditor Comments:** It is recommended that the contract process should be concluded as quickly as possible. The violation of Municipal Law 103 continues, as there are two towing vendors that have received payments in excess of \$35,000 during the current fiscal year. The Vendors have received \$64,461 and \$61,361 during first seven months of the fiscal year. It should be noted subsequent to the Commissioner providing us with his update the towing contract was approved by the Common Council, but has not been fully executed as of March 13, 2014.

### **Impound Vehicle Inventory**

**Audit Recommendation:** We recommend that the City Impound begin using a computerized inventory management system to instantly identify all towed vehicles in storage. A physical inventory count should also be performed to verify the accuracy of the computerized version. This would strengthen internal controls and any variance could then be investigated immediately.

**Department Response:** We have a computerized database of all vehicles in the auto impound. The manual part of the inventory that we do cannot be eliminated. It is a physical count to verify the accuracy of the database. We have never had a car missing in the time that I have been Commissioner.

#### **Inconsistent Recognition of Revenue**

**Audit Recommendation:** We recommend that the Department of Parking verify the Daily Journal for Towing Payments summary report to the back-up copies of the receipts taken in for that day. This will allow for accurate recording of the funds being entered into the City financial software (MUNIS) and help discover any potential errors in the Parking System Software. These reports could also be scanned and attached in MUNIS, so that any discrepancies can be easily researched.

**Department Response:** After every auction, we double check that Treasury has input the correct code so the auction revenue is recorded in the correct function. When we find an inconsistency, we advise Treasury to make the correction. Since the implementation of this new policy we are comfortable that the revenue is recorded correctly.

**Auditor Comment:** We reviewed transactions during the current fiscal year and noted six instances where vehicles sold at the auction were not classified correctly in the Parking System Software. Based on the number of vehicles sold (376) during this audit time frame this equates to an error rate of 1.6%. However, it should be noted that the correct revenue account was properly credited in MUNIS. Therefore it appears the new policy is working effectively.

#### **Duplicate Payment of Towing Invoices**

**Audit Recommendation:** Invoices are normally sent once a month by each towing company. A search can be performed in the Parking System Software that can list all tows for a towing company for a specific period of time. Using this search to compare to the invoice would allow for easy comparison and identification of errors.

**Department Response:** The recommendation of a more thorough review of towing invoices has been adhered to. Before any payment is sent out, our Administrative Assistant goes through every invoice from the respective tow company. We believe this has eliminated any duplicate payments.

**Auditor Comment:** Auditors reviewed a sample of payments made to tow vendors in the current year and found that all tows on vendor invoices sampled were documented in the Parking Software.

#### **License Plate Readers**

**Audit Recommendation:** It is recommend the cost benefit of License Plate Readers (LPR) be explored. LPRs can scan and read license plates by using a camera affixed to Parking Enforcement vehicles. This could potentially increase revenues by making it easier to impound vehicles that are stolen or that have outstanding violations, even if a vehicle is parked legally.

These types of systems have been implemented in other municipalities and have shown positive results in both parking and law enforcement.

**Department Response:** The Parking department has purchased six license plate readers.

**Auditor Comment:** It is unknown how much additional revenue has been received as a direct result of using the LPR's, but towing and storage revenue has increased by \$176,317 or 27% when comparing the first seven months of the current and prior fiscal years.

#### **Increase Storage Fees**

**Audit Recommendation:** We recommend that the department consider increasing the cost of storage fees.

**Department Response:** We are analyzing our revenues and expenses including all fees. After this review if we agree an increase is advisable, we will submit it with our budget recommendations.

**Auditor Comment:** As stated in the previous audit, vehicle storage fees have not changed since April 2004.

#### **Conclusion**

It appears that most of the recommendations from the audit performed in the prior year have been addressed. The contract for towing vendors must be executed as quickly as possible to become compliant with NYS General Municipal Law 103.