



Albany Parking Authority Cash Collections

Report of Examination

Period Covered:

January 1, 2015 – January 31, 2016

2016M-181



Thomas P. DiNapoli

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State of New York Office of the State Comptroller

Division of Local Government and School Accountability

August 2016

Dear Authority Officials:

A top priority of the Office of the State Comptroller is to help authority officials manage their authorities efficiently and effectively and, by so doing, provide accountability for dollars spent to support authority operations. The Comptroller oversees the fiscal affairs of authorities statewide, as well as authorities' compliance with relevant statutes and observance of good business practices. This fiscal oversight is accomplished, in part, through our audits, which identify opportunities for improving authority operations and Board governance. Audits also can identify strategies to reduce authority costs and to strengthen controls intended to safeguard authority assets.

Following is a report of our audit of the Albany Parking Authority, entitled Cash Collections. This audit was conducted pursuant to the State Comptroller's authority as set forth in Article X, Section 5 of the State Constitution.

This audit's results are a resource for authority officials to use in effectively managing operations and in meeting the expectations of taxpayers. If you have questions about this report, please feel free to contact the local regional office for your county, as listed at the end of this report.

Respectfully submitted,

*Office of the State Comptroller
Division of Local Government
and School Accountability*

Introduction

Background

The Albany Parking Authority (Authority) is located in the City of Albany (City) in Albany County. The Authority was established in 1983 by the Albany Parking Authority Act enacted by the New York State Legislature pursuant to Chapter 874 of the Laws of 1982. The Act authorizes the Authority to construct, operate and maintain locations in the City for the parking and storing of motor vehicles. The Authority's 2016 fiscal year operating budget totaled approximately \$7.4 million, with costs to be funded primarily by parking fees. The Authority owns and operates three garages with a total of 2,589 parking spaces and 11 surface lots with a total of 472 parking spaces. In addition, the Authority has 917 single and multi-space meters for 1,963 on-street parking spaces. The Authority employs 37 full-time equivalent persons.

The Authority is governed by a Board of Directors (Board), which is composed of a chairman and four other members appointed by the Mayor of the City, with the advice and consent of the City Common Council. The Board is responsible for the general management and control of the Authority's financial affairs. The Board appoints an Executive Director who is the Authority's chief executive officer and is responsible for the Authority's day-to-day operations. The Authority's Finance Director is responsible for managing daily activity of Authority finances, accounting for the daily deposit of moneys received from the Authority's facilities and maintaining the Authority's accounting records.

Objective

The objective of our audit was to review the Authority's cash receipt process. Our audit addressed the following related question:

- Did Authority officials ensure all cash receipts for parking collections were accounted for accurately and deposited intact and in a timely manner?

Scope and Methodology

We examined the Authority's cash receipt process for the period January 1, 2015 through January 31, 2016.

We conducted our audit in accordance with generally accepted government auditing standards (GAGAS). More information on such standards and the methodology used in performing this audit are included in Appendix B of this report. Unless otherwise indicated in this report, samples for testing were selected based on professional judgment, as it was not the intent to project the results onto the entire population. Where applicable, information is presented concerning

the value and/or size of the relevant population and the sample selected for examination.

**Comments of
Authority Officials**

The results of our audit have been discussed with Authority officials, and their comments, which appear in Appendix A, have been considered in preparing this report. Authority officials agreed with our report.

Cash Collections for Parking

The Board and Executive Director are responsible for establishing a control environment that adequately safeguards cash and other collections for parking. This is accomplished, in part, through the development of adequate procedures that provide assurance that all collections are accounted for and deposited in a timely manner (within three days) and intact, which means in the same amount and form (e.g., cash, coins and checks) as they were collected.

Authority officials have developed procedures to ensure all cash collections for parking are accounted for and deposited intact and in a timely manner. The Authority uses four methods to collect parking payments from customers: single-space meters, multi-space meters, pay-on-foot machines and monthly parking permits. Customers can pay with coins and prepaid cash keys at single-space meters. At multi-space meters, they can pay either with coin or by credit or debit card. These meters allow customers to pay for parking and display a receipt on their car dashboard that indicates the time period for which they paid for parking. The Authority also uses pay-on-foot machines that allow customers to enter a garage and park then pay prior to exiting the garage. In addition, Authority garages offer monthly parking permits. The Authority bills businesses that pay by check for the permits and automatically charges individuals' credit or debit cards on a monthly basis.

The Authority contracts with an armored car company to count and deposit money from the single- and multi-space parking meters at least once per month. Authority employees collect cash in the single- and multi-space meters using a system that requires employees to remove the money container as a unit and attach it to a collection unit so they never have access to the cash and drive the canisters to the armored car company to be counted and deposited. The multi-space machines maintain a running count of collections that is reconciled to amounts deposited. Once collections are completed, they deposit the money into the Authority's bank account and prepare a report that lists all collections by parking meter and deposit dates for the collections.

The Facility Manager and the Assistant Manager are responsible for daily garage oversight. On a daily basis, the managers remove the money from the pay-on-foot machines, count it, prepare a deposit slip and deposit the money into the Authority's bank account. To provide oversight of the managers' handling of collections, the Finance Director reviews reports detailing activity for each machine and compares them to the deposit slips.

The Authority also charges prepaid parking rates for parking in the garages when there are special events such as concerts. The Authority contracts with a third-party employment agency (agency) for temporary staff who, along with Authority employees, staff the garages for these special events. For special event parking, customers pull a prenumbered ticket from the entry machines at the entrance to the garages, give the ticket to the attendant and pay the posted rate. At the end of each event, the attendants prepare a ticket reconciliation summary and a deposit slip. All of the reconciliation sheets indicate the beginning and ending ticket numbers so that the total tickets used during the event can be reconciled to the cash collected. The cash collections, ticket reconciliations and deposit slips are remitted to the managers who review the documentation and deposit the collections the following day.

The Finance Director receives daily activity reports for the garages and multi-space meters and records all money collections in the cash receipts journal when she receives the reports. She prepares entries in the cash receipts journal for special events when she receives the ticket reconciliation and deposit information. She also compares the activity reports to the cash deposits to ensure the money is deposited intact.

On a monthly basis, the Finance Director prints and reconciles the collections reports from the armored car company to deposits listed on the bank statements. She compares the collections reports to the sales reports from the web-based application for the multi-space parking meters to determine whether there are any variances. The Finance Director also prints reports from the pay-on-foot machines and reconciles them with the deposit slips and the corresponding deposits on the bank statement on a daily basis.

Single and Multi-Space Meters – We reviewed all money collected during the audit period from the single- and multi-space meters totaling \$878,714. We traced all collections from the reports of the armored car company, which include amounts collected from each meter and the total money collected and deposited, to deposits reported on the bank statements and to the cash receipts journal to ensure that all collections were deposited into the Authority’s bank account intact and in a timely manner and accurately recorded in the accounting records. We found that all collections were accurately accounted for and deposited intact and in a timely manner. Furthermore, we compared the sales reports from the multi-space meters to the corresponding collections reports provided by the armored car company for the same period totaling \$543,436. Except for minor issues, which we discussed with Authority officials, we found that the sales reports agreed to the corresponding deposits.

Parking Garages – We judgmentally selected 10 dates¹ from our audit period, with cash receipts totaling \$5,808, and reviewed the cash collections from the pay-on-foot machines in the three parking garages for each date. We reviewed the supporting documentation for these collections and traced the figures to entries in the accounting records and deposits listed on the bank statements. We determined that all cash receipts were accounted for and deposited intact and in a timely manner.

Special Events – We judgmentally selected 11 special event dates² from our audit period, with cash receipts totaling \$19,193. We reviewed the ticket reconciliation summary, which indicated the tickets sold and cash collected, and a deposit slip indicating the amount of the deposit for these collections and traced the figures to entries in the accounting records and deposits listed on the bank statements. Except for minor differences, which we discussed with Authority officials, we found that all cash receipts were accounted for and deposited intact and in a timely manner.

We commend Authority officials for establishing a control environment that adequately safeguards cash collections.

¹ Refer to Appendix B for further information on our sample selection process.

² Ibid.

APPENDIX A

RESPONSE FROM AUTHORITY OFFICIALS

The Authority officials' response to this audit can be found on the following page.



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ALBANY, NEW YORK 12207
Telephone (518) 434-8886

KEVIN O'CONNOR
CHAIRMAN OF THE BOARD

MATTHEW PETER
EXECUTIVE DIRECTOR

Thursday, July 21, 2016

On behalf of the Albany Parking Authority ("APA"), please accept this letter as the APA's response to the Albany Parking Authority Cash Collections Audit ("Audit") conducted by the NYS Office of the State Comptroller. First, let me express the APA's sincere appreciation for the professionalism exhibited, and the work conducted, by you and your staff during the conduct of the Audit.

The APA Board, management team and all staff have worked diligently to ensure proper cash management, which included the development of detailed internal control processes and significant APA investments in automated payment systems. The Audit results reinforce the fact that APA bond holders, the City of Albany, and the public which we serve can be confident with the integrity, professionalism, and attention to detail exhibited by all the Parking Authority personnel to ensure compliance with their important fiduciary responsibilities.

The Board Members of the Albany Parking Authority thank State Comptroller DiNapoli for his staff's professional and thorough review. Please contact me with any questions.

Thank you,
Matthew Peter

Executive Director

APPENDIX B

AUDIT METHODOLOGY AND STANDARDS

To achieve our audit objective and obtain valid evidence, we performed the following procedures:

- We interviewed appropriate Authority officials and employees to gain an understanding of Authority operations, procedures over cash receipts and accounting system controls over cash receipts.
- We reviewed all collections from the street parking meters for the period from January 1, 2015 through January 31, 2015. We traced these collections to the cash receipts journal, deposit slips and bank statements. Furthermore, we compared all collections reports to the sales reports from the street parking meters to determine if there were any variances.
- We judgmentally selected 10 dates, based on date, type and dollar amount, and reviewed all cash collections made during those days from each of the three parking garages. We traced the cash collections to Authority accounting records and bank statements to determine whether the cash collections were accounted for and deposited properly.
- We also selected 11 special event dates, based on size and source of the cash receipts, and reviewed the cash collections. We traced the cash collections made during those days to Authority accounting records and bank statements to determine whether the cash collections were accounted for and deposited properly.

We conducted this performance audit in accordance with GAGAS. 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 objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

APPENDIX C

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