Appendix 19

Parking Enforcement Program Audit Checklist

CLEVELAND COUNTY / CITY OF NORMAN, OKLAHOMA:

PARKING STRATEGIC PLAN

Cl;eveland County / City of Norman, OK, Parking Strategic Plan

Parking Enforcement Audit Check-List for Citation Revenue, Receivables Management and Permit Operations

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This document can serve two purposes for Cleveland County and the City of Norman. Initially, this checklist can be used by program managers as a tool for the refinement of the current parking enforcement program. This document was originally designed to be used as a checklist to support the auditing of various aspects of a municipal parking enforcement program. For each audit standard, auditors can note whether or not the program complies, or if the result is unclear, and can also add comments or observations supporting their conclusion. Since this document was created based on several communities, it is recommended that this tool be customized to the Norman parking enforcement program and used on an on-going basis.

A. Ordering and Control of Citation Stock

Blank citation stock—whether for handwritten citations or for handheld issuance devices - is an often neglected but critical aspect of parking programs. Blank citations are also potential receivables. Therefore, it is essential that the enforcement program always have an adequate supply of citation stock. In addition, inadequate controls on inventory can allow blank citations to be used for fraudulent purposes. The following are some of the basic checks that apply to this component.

#	Standard	Yes	No	Unclear	Observation/Comments/Action Taken
A.1	**Are there written procedures governing the ordering, acceptance, distribution and tracking of citation stock?**				
A.2	**Do the procedures govern all necessary aspects of the ordering, delivery, acceptance and storage processes?**				
A.2.1	Is there an inventory tracking system that tracks additions to, withdrawals from, and the current citation inventory?				
A.2.1.1	Is the tracking system maintained on an electronic spreadsheet or database to avoid mathematical error?				
A.2.1.2	Does the tracking system cover distribution to subordinate levels, i.e., individual enforcement locations and individual officers?				
A.2.2	Are there specific "trigger points", i.e., inventory levels that when reached, trigger the start of the reorder process with sufficient lead time to ensure that inventories are not exhausted prior to delivery of the new order?				
A.2.3	Is responsibility for ordering stock assigned to a senior				

	manager who understands the importance of this function?				
A.2.4	Does the reordering process include adequate time and instructions to incorporate updates of the citation form to include any recent changes in program business rules or boilerplate information (mail-in payment address, customer service phone numbers, etc.)?				
A.2.5	Are previous orders for citation stock filed for easy access and (as applicable) do they contain the number ranges of the previous orders so that number ranges are not duplicated in subsequent orders?				
A.2.6	Are deliveries of new citation stock both logged against the current order and updated to the inventory tracking system?				
A.2.6.1	Is there a written quality control check list against which the new stock is immediately compared to the written specifications in the purchase order?				
A.2.7	Is citation stock stored in a secure, locked room or closet?				
A.2.8	Is ticket stock periodically inventoried and compared to the tracking system and any discrepancies investigated and reconciled?				
A.3	**Do the procedures govern all necessary aspects of distributing citation stock to the enforcement staff?**				
A.3.1	As appropriate based on the number of agencies and individuals who issue citations, are there intermediate distribution points (i.e., from central storage to the responsible department or the Parking Enforcement office)?				
A.3.2	If the program uses intermediate storage locations, are they also be subject to a periodic inventory review process?				
A.3.3	Are such distributions properly logged to the inventory tracking system?				
A.3.4	At the officer level, is distribution of blank ticket				

	books logged to the tracking system?				
A.3.5	Periodically, are the number of blank books/citations distributed to enforcement offices and individual officers compared to issued tickets updated to the citation processing system or otherwise voided?				
A.3.5.1	Are any discrepancies between citations distributed to offices/individual officers and citations updated to the system investigated and reconciled?				
A.4	**The control of citation stock for handheld issuance devices can present some additional challenges. While some devices may continue to rely on stock with pre-printed citation numbers (which can be handled in the same manner as discussed above for handwritten citations), most handheld systems in use today generate an automatically incremented citation number at the time of issuance. Is generation of citation numbers carefully controlled and monitored?**				
A.4.1	At the macro level, does the handheld system exercise control over the range of citation numbers assigned?				
A.4.1.1	Is the range of numbers used for handheld devices separate and distinct from the numbers used for handwritten citation stock?				
A.4.2	Whether from a central server or from a local base station linked to the handheld docking cradles, are distinct number ranges assigned to individual handheld devices?				
A.4.3	Do base stations (if applicable) and individual handhelds have "trigger" points so that when some set percentage of the assigned number range has been assigned/issued, a new block of numbers can be assigned?				
A.4.4	As with handwritten citations, are periodic audits performed to ensure that number ranges are being fully used? (While not a problem on individual				

	handhelds, some older systems allow number ranges to be stalled at the base station and remain unassigned to handhelds.)				
A.4.5	If handhelds are not permanently assigned to specific officers, is a daily log kept of which officers use which handheld devices?				
A.4.6	Do the handheld devices require the officer to sign on to the device at the start of a shift using a secure password?				
A.4.6.1	Is the date and time of violation printed on each citation automatically generated by the handheld device?				
A.4.6.2	Is the accuracy of the devices' time and date regularly verified by the supervisor/manager?				

B. Control and Processing of Issued Citations

Once issued, a citation becomes a receivable whose value may increase (with late penalties, for example) or decrease (dismissals or reductions in the hearing process, payments, etc.) It is critical, therefore, that all proper actions be taken to both provide due process to the recipient and achieve a payment or other satisfactory outcome for the program, and that all transactions relative to each citation be tracked throughout the citation's life cycle. Key issues to be addressed include:

#	Standard	Yes	No	Unclear	Observation/Comments/Action Taken
B.1	**Are there written procedures governing the control of issued citations and their update to the system?**				
B.2	**Are all issued citations uploaded to the processing system database or otherwise accounted for?**				
B.2.1	For handwritten citations, is there a detailed process for controlling batches of issued citations? Ideally, this should be a three-point process in which counts of citations are made and reconciled at the appropriate enforcement office where the citations are first batched, at the data entry point, and after the citations have been updated to the database.				
B.2.1.1	For handheld citations, is there a procedure to ensure that all handhelds used during the prior shift are cradled and the tickets uploaded to the processing system?				
B.2.2	Does the processing system have sufficient quality control edits to ensure that all required fields have been completed by the officer and that the data in critical fields is correctly formatted?				
B.2.3	Does the parking program follow a procedure for controlling and tracking voided citations, including the issuing officer, date and the reason the citation was voided? This can be done within the processing system or separately?				
B.2.3.1	In addition, is there a process to periodically review individual officer's void history to identify those with excessive numbers of voids?				

B.2.4	With regards to "courtesy warnings", are individual officer's warnings ever checked against the database to see that a warning (instead of a citation) was appropriate?				
B.2.4.1	If a PCO has issued inappropriate warnings, is a notation made in his/her record and follow-up training conducted?				
B.3	**Since the clear majority of parking citations are issued when the driver is not present, the responsible party (usually the registered owner) must be identified after the fact. Does the program have an effective process for identifying the responsible party and his/her mailing address for each citation issued?**				
B.3.1	Does the program have the necessary relationships and data exchanges (either directly or through a vendor) with the appropriate Departments of Motor Vehicles to identify the registered owners of vehicles with in-state, out-of-state plates?				
B.3.2	Does the program have a process for obtaining renter information from rental companies whose vehicles are cited?				
B.3.3	Does the processing system have the ability to update name and address information gained from third parties such as rental companies and National Change of Address (NCOA)?				
B.3.4	When notices are returned as undeliverable, does the program have the ability to prevent mailings to the bad address and obtain and update new, current addresses from the USPS and third party vendors?				
B.3.5	Does the processing system provide regular reports on the percentage of citations for each category (in-state, out-of-state, etc.) for which a responsible party name and address is obtained?				
B.3.5.1	Are deviations from the normal rates investigated?				

B.3.6	Are citations for which a name and address are not obtained (no hits) flagged by the system and scheduled for a follow-up DMV inquiry?				
B.4	**A fair and accessible adjudication function is both legally required and critical to maintaining the program's integrity and support. Does the program, and the processing system, provide such an adjudicatory capability?**				
B.4.1	Are there written guidelines regarding the timeframes under which citations are eligible for the various types of reviews/hearings offered to respondents?				
B.4.2	Does the processing system automatically enforce hearing eligibility rules by edits and security provisions?				
B.4.3	Is the scheduling of a review or hearing subject to governing law or ordinance?				
B.4.3.1	Does a scheduled review or hearing suspend noticing and the imposition of late penalties?				
B.4.4	Does the processing system allow for the updating of citation records with the results of reviews/hearings and any appropriate modifications to the balance due on the citation?				
B.4.5	Are there provisions for defaulting (to the extent allowed by law) respondents who do not appear for hearings? (A default is a legal acceptance of liability for the fine.)?				
B.4.6	Does program staff have access to the data necessary to process administrative claims (i.e., claims of broken meter, missing sign, etc.)?				
B.4.7	In order to allow proper monitoring of the adjudication function, does the program maintain or is it able to produce analyses of decision patterns for the program overall and by hearing examiner/judge, issuing officer, and regulation?				

B.4.8	On a daily basis, does staff perform a reconciliation of all adjudicatory decisions rendered and then update to the citation database to ensure that citation balances are being adjusted appropriately?				
B.4.9	Do materials provided by the program (on the citation itself, on notices, hearing decisions, program handouts, web-site, etc.) fully and clearly inform citation recipients of their rights and obligations, and how to access service?				
B.5	**Once issued, are citations processed through their life cycle in a timely manner in compliance with applicable laws? (Ideally, this is largely done on an automated basis by the citation processing software.)**				
B.5.1	Is the citation life cycle documented and is the system audited on a regular basis to ensure that citations are being processed in compliance with it?				
B.5.2	Are late penalties applied to eligible citations at the proper time and in the proper amount?				
B.5.3	For delinquent citations, are notices mailed on a timely basis?				
B.5.4	When mail is returned as undeliverable, are the citation records flagged so that a more current address can be sought?				
B.5.5	When appropriate—such as pending a scheduled hearing or while a claim is being researched—are other processing actions (such as notices) suspended?				
B.5.6	At a minimum, is the processing system able to generate exception reports for citations that have been in a suspended status for an excessive number of days?				
B.5.7	How often are such reports run and reviewed?				
B.5.8	Does the system have the ability to identify citations that have aged into a new status, such as eligibility for referral to a collection agent or write-off?				

B.5.9	Does the processing system automatically carry out the appropriate "next action"?				
B.6	**Are citation payments processed in such a manner that ensures complete, timely and accurate application of all payments?**				
B.6.1	Does the program have a written security policy which is provided to all new employees?				
B.6.2	Are employees required to acknowledge receipt and familiarity with the security policy in writing and is such documentation included in the employee's personnel file?				
B.6.3	Does access to the processing system require sign-on with a User ID and a password?				
B.6.4	Are user ID's controlled by a management level employee and documented in writing, with the documents stored securely?				
B.6.5	Are users required to change passwords on a regular basis (no less frequently than every 60 days)?				
B.6.6	Does the system provide various levels of access—based on job requirements, such as read only, routine update, and restricted access to sensitive transactions?				
B.6.7	Does the processing system provide a complete audit trail for all transactions which directly or indirectly impact the balance of a citation or the program's ability to collect outstanding fines?				
B.6.8	Do the audit trails include the User ID of the person performing the transaction and the date and time of the transaction?				
B.6.9	Does the processing system prevent the deletion of any transaction record or citation and plate records? If a transaction must be reversed (e.g., an				

	incorrectly entered payment) the system should reflect the original transaction, a reversal transaction, and the corrected transaction.				
B.6.10	Does the system (or the server/network which supports it) provide sufficient levels of back-up so that program data is always secure?				
B.6.11	Does the program have a written disaster recovery/business continuity plan which is tested on at least an annual basis?				
B.6.12	Are ongoing or intermediate tasks which support the larger DR plan (such as regular database backups) carefully monitored and documented?				

C. Pursuit of Delinquent Citations

While a high percentage of citations are paid in a timely manner, either after issuance or following a hearing, many require addition action. These generally fall into three categories: in-house pursuit of delinquent accounts, booting and towing of "scofflaw" vehicles, and use of third party collection firms. Each has its own requirements.

C.1	**Are in-house collection efforts sufficiently robust to ensure that citations are not unnecessarily assigned to collections and therefore subject to commission?**				
C.1.1	Are the citation life cycles (for normal citations, fleets, rentals, etc.) documented and understood by all program staff?				
C.1.2	As noted above, does the program have an effective means of obtaining name and address information on the party responsible for each citation in a time manner after issuance, as well as the ability to obtain updated addresses for citations which result in returned mail?				
C.1.3	Does the processing system automatically add late penalties and generate delinquent notices according to the approved life cycle(s)?				
C.1.4	If required or permitted by law or ordinance, does the system support different life cycles for citations issued to different categories of respondent (in-state, out-of-state, rental, government, etc.)?				
C.1.5	Does the system support generation of all required notices, as well as additional collection notices prior to assignment to collection agents?				
C.1.6	If allowed by state law, is the program's in-state DMV informed of registered owners with sufficient delinquent citations to qualify for registration non-renewal or denial of other privilege?				

C. 2	**Does the program utilize a strong, accountable booting/towing program by which scofflaw vehicles identified on the street can be immobilized or impounded until outstanding fines are paid?**				
C.2.1	Does the program have a dispatching system which tracks all authorized boot and tow assignments and actual boots and tows or reasons why the assigned action was not carried out? Ideally, this system should be automated.				
C.2.2	Does the system have strict procedures and operational/technical support so that booted and towed vehicles cannot be released without payment of all fines, penalties and boot/tow/storage fees?				
C.2.3	(If appropriate) On a daily basis, are boot releases reconciled to boots authorized, boots still on the street, and vehicles not found ("Gone on arrivals")?				
C.2.4	On a regular basis--no less than monthly, Is the tow lot inventory report reconciled to vehicles physically on the lot?				
C.2.5	Does the tow lot inventory system allow for the aging of tows so that un-redeemed tows are auctioned in a timely manner and auctioned as appropriate?				
C.2.6	Whether or not a private tow vendor is used, is the tow operation audited on a regular basis to ensure that the correct tow and storage fees are collected?				
C.2.7	If a vendor is used, is it responsible for any citation fines and fees it fails to collect prior to release of a vehicle?				
C.3.	**Are third party collection firms used as appropriate and with proper controls and safeguards?**				
C.3.1	Is the assignment of cases to the collection agent based on documented criteria and based on time- or event-driven criteria (i.e., a set number of days since issuance or since a particular in-house notice				

	or the lapse of a DMV registration hold)?				
C.3.2	Are citations only assigned after the completion of all in-house collection actions with a reasonable expectation of success?				
C.3.3	Are citations assigned on a timely, regular schedule, such as monthly or quarterly?				
C.3.4	When cases are assigned, is the processing system updated with relevant information, particularly the date?				
C.3.5	Are assigned citations flagged so that in-house noticing is suspended?				
C.3.6	Does the agreement with the collection agent specify particular collection actions that will be taken and a set timeframe for completing those actions?				
C.3.7	Does the agreement with the collection agent specify City rights such as the right to recall cases at any time, and the right to assign cases to another collection agent following recall?				
C.3.8	Is there a set schedule on which the collection agent remits payments to the parking operator? While daily remittance might not be practical, it should be no less than weekly.				
C.3.9	Does the parking staff have a documented process in place to immediately reconcile all payments from the collection agent and investigate/reconcile any payments that cannot be applied?				
C.3.10	Does the system provide regular reports on the inventory of cases held by the collection agent, including aging by date of assignment, so that the collection agent's effectiveness can be evaluated?				
C.3.11	Does the program have an ongoing process for "salting" payments on assigned cases to ensure that the collection agent applies and forwards all payments in a complete and timely manner?				

C.3.12	Does the City regularly audit the records of the collection agent, not only to ensure that all payments are being forwarded in a timely and accurate manner, but also to insure that all contractually required collection actions are being taken and documented?				
C.3.13	As part of its citation life cycle, does the City have write-off criteria? Generally, when cases are returned or recalled from the collection agent, write-off is the appropriate action. Otherwise, the potential value of the program's accounts receivable will be overestimated and possibly misinterpreted.				

D. MONITORING AND AUDITING OF PARKING PERMIT OPERATIONS

In the municipal environment parking permits are often used to control parking in designated lots and structures or to limit parking in residential neighborhoods whose quality of life is threatened by nearby parking generators. Because of the privileges they convey, and sometimes the cost, permits can be valuable commodities and must be safeguarded much like cash. In addition, it is vital that they be sold/issued in strict accordance with program rules and only to those who are eligible. Key elements to be audited include:

#	Standard	Yes	No	Unclear	Observation/Comments/Action Taken
D.1	**Are there written procedures governing the ordering, receipt, distribution, and sale of permits?**				
D.2	**Do the procedures govern all necessary aspects of the ordering/receipt/sale process?**				
D.2.1	Is there an inventory tracking system that tracks additions to, withdrawals from, and the current permit inventory? Ideally this should be maintained on an electronic spreadsheet to avoid mathematical errors.				
D.2.2	Are there written "trigger points", i.e., inventory levels that when reached, trigger the start of the reorder process with sufficient lead time to ensure that inventories are not exhausted prior to delivery of the new order? This is particularly important for permits which generally expire on a set schedule with a change in colors used to differentiate between current and outdated permits.				
D.2.3	Is responsibility for ordering stock vested in a manager who understands the importance of this function?				
D.2.4	Is permit stock designed to discourage counterfeiting (such as reflective decals) and to facilitate easy verification by enforcement staff (large numbers or letters for permit districts/structures, and bold colors that readily distinguish current permits from old)?				
D.2.5	In addition, is each permit for a type/district numbered consecutively so that inventories can be controlled and fraudulent use of lost/stolen permits				

	can be minimized?				
D.2.5	Does the documented reordering process include adequate time and instructions to incorporate any desired changes in color or fraud deterrent features, and delivery dates that support the renewal cycle?				
D.2.6	Are previous orders for permit stock filed for easy access and (as applicable) contain the number ranges of the previous orders so that number ranges are not duplicated in subsequent orders?				
D.2.7	Are deliveries of new permit stock both logged and reconciled against the current order and updated to the permit inventory tracking system?				
D.2.8	In addition, is there a written quality control check list so the new stock can immediately be compared to the written specifications in the purchase order?				
D.2.9	Is unissued permit stock stored in a secure, locked room or closet?				
D.2.10	Is the permit stock periodically inventoried and compared to the tracking system and any discrepancies reconciled?				
D.3	**Do the procedures govern all necessary aspects of distributing permits to the sales staff?**				
D.3.1	As appropriate based on the number of locations and individuals who sell permits, are there intermediate distribution points (e.g., from central storage to the sales locations)?				
D.3.2	If the program uses such intermediate storage locations, are they subject to a periodic inventory process?				
D.3.4	Are any such distributions properly logged to the inventory tracking system?				
D.3.5	At the cashier or customer service representative level, are distributions of permits logged and reconciled each day, with the number of permits sold and those still on hand equaling the number distributed at the start of business?				

D.3.6	Are permit sales also incorporated into the daily cashier balancing process?				
D.3.7	If permits sales are tracked within the citation processing system or another automated tracking system, is that system periodically audited for gaps in the permits sold, and missing permit numbers investigated?				
D.4	**Are permits sold in compliance with eligibility standards and other business rules?**				
D.4.1	Are written guidelines regarding eligibility to buy permits, permit costs, and permit duration and format available to the public?				
D.4.2	Is all staff involved in the sale of permits, otherwise serving permit customers, and enforcing permit regulations fully familiar with the business rules and eligibility guidelines governing the program?				
D.4.3	Does the process for opening a permit account include a written application and provision of documentary evidence as required by the program guidelines? Such documentation usually includes proof of residence at an eligible address (such as a utility bill) and proof that the permitted vehicle is registered at that address.				
D.4.4	As an aid to the confiscation of improperly used permits, do the program rules state—to the extent legally permitted—that issued permits remain the property of the program and can be confiscated by enforcement personnel if used contrary to program rules?				
D.4.5.	Are copies of completed applications and supporting documentation filed for at least as long as the account is active plus some reasonable period?				
D.4.6	Do program managers periodically audit permit sales to see that the sampled permits/accounts comply with program guidelines regarding residence, vehicle registration and number of permits issued (as				

	applicable)?				
D.4.7	If renewal notices are mailed to account holders, is this done with ample lead time to ensure that mail orders can be processed such that new permits can be received and displayed by the required date(s)? Failure to do so can result in laborious work-arounds that can be abused.				
D.4.8	If supported by the enforcement handheld devices, are automated lists/files of permits reported as lost or stolen periodically downloaded to the handhelds so that officers can screen permits on vehicles for possible abuse?				