



BERTHA W. HENRY, County Administrator

115 S. Andrews Avenue, Room 409 • Fort Lauderdale, Florida 33301 • 954-357-7362 • FAX 954-357-7360

MEMORANDUM

DATE: May 26, 2017
TO: Mayor, Vice Mayor, and Board of County Commissioners
FROM: Bertha W. Henry, County Administrator
SUBJECT: Response to County Auditor's Review of Airport Parking Revenues and Parking Information Systems (Report 17-11)

County Administration and the Broward County Aviation Department ("BCAD") have reviewed the March 30, 2017, Review of Airport Parking Revenues and Parking Information Systems ("Review").

The County Auditor's Office reviewed controls over parking revenues and parking information systems at the Airport for calendar year ended December 31, 2015 and assessed the status of recommendations in the Airport Parking Systems Review presented to the Board of County Commissioners on September 13, 2011.

The review evaluated revenue from all parking operations (self, valet, and employee parking). During the preliminary assessment, no significant control weaknesses over revenues from self and valet parking were noted, which in FY 2015 generated over \$42.6 million in revenue from approximately 2.7 million transactions at the Airport. As a result, this report focuses on employee parking operations, which in FY 2015 generated approximately \$1.7 million in revenue representing 3.9% of the total \$44.3 million parking operations revenue.

There are approximately 13,000 employees who have access to BCAD's employee parking. BCAD tenant employers pay for 70% of all of those employees. These employers also verify each individual's employment and access privileges every month. Currently, the remaining 30% of tenant employees that self-pay for parking access have to pay within five days from the beginning of the month or their parking privileges are revoked. All proximity cards have to be activated and in current financial status or, they will be deactivated and become useless.

Further in support of the overall access controls that are in place, BCAD has contracted with SP+ Parking to manage both the guests and employee parking operations. SP+ Parking

manages approximately 3,700 individual parking facilities in 357 cities, including 73 airport operations. SP+ Parking has extensive experience in the parking industry managing parking revenue, complying with accepted industry standards for internal controls and managing parking operations and administrative functions.

The County Auditor's Review states that 60% of recommendations (9 out of 15) made on a previously issued review on August 25, 2011, were not addressed as of September 22, 2016. BCAD staff and SP+ Parking took steps to address the recommendations from the 2011 review and assert that 11 out of the 15 recommendations have been addressed as of May 26, 2017. The remaining 4 recommendations (or 27%) from the 2011 review are in the process of being addressed.

For context and ease of reading, employee parking areas are accessed by Airlines, tenants and Airport community employees with two types of cards: Proximity cards that restrict parking to designated employee parking areas and courtesy parking cards (DP) that allow parking in any Airport garage.

Below are the responses to the findings and recommendations:

Employee Parking Revenue

Finding #1: Revenue Controls- lack of adequate internal control over employee parking revenue:

- A. Job duties for tenant employee parking operations are not adequately segregated.
- B. The employee parking cash handling process is manual and does not include the use of a cash register as required by the Parking Management Agreement.
- C. SP+ does not follow established County policy for past due accounts receivable.
- D. Internal controls over issued and unissued Proximity and DP cards are not adequate.
- E. SP+ has no written procedures to guide staff through day to day processes for tenant employee parking.
- F. BCAD failed to comply with Administrative Code and Florida Statutes regarding the collection of sales tax.
- G. System controls restricting employees from parking outside of designated areas within Cypress Garage were not in operation for at least 3 months.

Recommendations

1. Separate incompatible duties so that more than one individual is responsible for completing a process or transaction.

Response:

SP+ Parking has implemented additional procedures to more clearly segregate duties. Employees who have access to the card activation system, PARIS software, no longer have access to the billing and payment system, CARS software.

2. Install cash registers as required by the parking management agreement.

Response:

Agree. BCAD will provide SP+ Parking with a cash register that meets the requirements of the Parking Management Agreement. SP+ Parking has purchased a standalone cash register, which has now been in use since August 1, 2016.

3. Follow County policies and procedures for accounts receivables, including write-off of uncollectible accounts.

Response:

BCAD Finance and SP+ Parking will coordinate the proper accounting for employee parking services and the disposition of uncollectible accounts. SP+ Parking will provide BCAD Finance the details for recording accounts receivable on a quarterly basis. SP+ Parking will also coordinate with BCAD Finance quarterly reviews of uncollectible accounts which will be processed in accordance with Broward County policies.

4. Document procedures for the management of issued and unissued Proximity and DP cards to ensure that:

- a. properly completed and authorized applications support the issuance of each Proximity and DP card;
- b. card issuance procedures are adequate to preclude an employee from having more than one Proximity Card;
- c. inventory and segregation of duties controls over unissued Proximity and DP cards are implemented;
- d. periodic reviews of Proximity Cardholders to confirm continued eligibility are performed;
- e. the number of DP cards issued to tenants comply with the Administrative Code; and
- f. Amounts due for all unauthorized cards are billed and collected.

Response:

Staff agreed with the recommendations. BCAD has coordinated with SP+ Parking and has implemented and completed a series of policies and procedures that have addressed each of the recommendations listed above. BCAD's current procedures confirm corporate tenants' employees' parking eligibility every month and DP cardholders are confirmed once per year.

5. Develop written procedures to guide staff through day to day processes for tenant employee parking.

Response:

SP+ Parking has formulated an operating plan that was developed to specifically address certain FLL employee parking systems additional procedures. This plan was finalized and implemented on April 25, 2016.

6. Include sales and use tax on monthly fees billed for DP cards.

Response:

Staff agreed with the recommendation. As of June 2016, sales tax was added to DP parking card invoices.

7. Collect sales and use tax on prior parking fees billed to tenants and remit taxes collected to the State of Florida; and

Response:

Staff agrees with the recommendation. Sales and use taxes on all prior invoiced tenant parking fees have been billed to the appropriate customer accounts as of May 2017. The collection of the sales and use taxes amount to approximately \$8,239 for the 5-year period from 2012 through 2016.

8. Periodically test employee parking system access restrictions to ensure they are operational.

Response:

Staff agrees with the recommendation. BCAD is acquiring new access control hardware and software as a part of relocating FLL employee parking to the former economy parking lot. These systems will be tested on a routine basis.

Finding #2: Operations Controls- lack of adequate oversight of employee parking operations

- A. BCAD does not adequately reconcile employee parking payments received by SP+ and does not record accounts receivable in the County's financial records.
- B. BCAD and SP+ charge or waive certain parking fees without approval by the Board of County Commissioners.

Recommendations

9. Periodically reconcile payment transactions in CARS to amounts deposited in the County's bank account.

Response:

Cash receipts, checks and employee credit card payments are reconciled to the CARS system and bank deposits by SP+ Parking on a daily shift basis. This information is periodically reviewed by BCAD to ensure revenue is properly recorded.

BCAD will reconcile a monthly detail report from the CARS system to the bank deposits and daily transaction reports received by SP+ Parking.

10. Record accounts receivable from parking operations in the County's financial records; and

Response:

Staff agrees with the recommendation. BCAD will use the data contained in the CARS accounts receivable report as the basis to record employee parking accounts receivable.

11. Ensure that parking fees are collected or waived only as authorized by Chapter 39.2 of the Administrative Code.

Response:

Agree. BCAD's practice has been to waive the \$35 replacement fee for stolen Proximity or DP cards if a police report is provided and charge a \$35 replacement fee for lost Proximity cards. BCAD will recommend amendments to Chapter 39.2 in the Administrative Code to align these practices with the guidelines for employee parking fees that should be invoiced (e.g. stolen cards). On an annual basis, approximately 20 stolen Proximity or DP cards' replacement fees are waived, totaling \$700. When a Proximity or DP card is reported as stolen, it is revoked and therefore, cannot be used, and is not counted towards an outstanding receivable.

Parking Information Systems

Finding #3: Physical and environmental controls- BCAD's IT server rooms lack adequate physical and environmental controls

- A. Environmental controls are not adequate in the server room to maintain an environment suitable for valuable computer resources and data.
- B. An excessive number of individuals have physical access to the server rooms housing parking information systems.

Recommendations

12. Evaluate the continued suitability of the primary location for production parking information systems;

Response:

Agree. BCAD has a project to upgrade the environmental conditions of this room, which will enhance fire, water, and temperature conditions. This project is scheduled to begin in October 2017.

13. Ensure that appropriate procedures are in place to restrict physical access based on job responsibilities; and
14. Periodically review physical access to validate that only those individuals who require access as part of their job responsibilities are authorized.

Response to No. 13 and No. 14:

Physical access to these rooms is currently audited annually by BCAD's independent external audit firm, Crowe Horwath. Additionally, BCAD will verify physical access requirements to this area on a quarterly basis.

Finding #4: Information Security Controls- lack of compliance with County information technology security policies and industry best practice within parking information systems:

- A. Security controls in the PARIS application are not adequate to tie transactions within the application to a specific user and access is not restricted based on job responsibilities.
- B. Security controls in the ADAPT application are not adequate to tie system administrator activity within the application to a specific user and restrict user access based on job responsibilities.
- C. The WebPARCS application security is not managed and configured according to BCAD's policies and procedures.
- D. Minimum password requirements for the Cashier's system (FXCR) do not comply with County policy.
- E. Change management procedures are not documented and do not enforce appropriate segregation of duties for infrastructure changes.
- F. The domain administrator account is shared by three users reducing user accountability.

Recommendations

15. Ensure that application, network, and database security features comply with County information security policies.

Response:

Staff agrees with the recommendation. BCAD Information Systems (IS) Staff is coordinating with HUB to clarify and revise BCAD's current security policy to define the levels of security access in ADAPT.

16. Ensure that a periodic review of user access to parking applications is performed to validate that access is assigned based on job responsibilities and appropriate segregation of duties. This should include a review of group profile permissions to which employees are assigned.

Response:

Staff agrees with the recommendation. BCAD Information Systems (IS) staff is coordinating with HUB to define the access authorization process, access profiles and to perform quarterly reviews.

17. Ensure that employees no longer requiring access to parking information systems, including terminated employees, are removed immediately.

Response:

Staff agrees with the recommendation. BCAD IS staff will include this evaluation as a part of the quarterly reviews.

18. Ensure the use of shared passwords is restricted;

Response:

BCAD IS staff use unique accounts for domain administrator access to the system. The built-in "Administrator" account is not shared or used by BCAD IS staff. This account is only used in emergencies and the password is known by limited BCAD IS staff and stored in a locked safe in case of emergency.

19. Ensure that change management policies and procedures are documented and that changes are tracked in the ticketing system; and
20. Enhance the current change management process to ensure that infrastructure changes are not authorized, performed and tested by the same individual.

Response to No. 19 and No. 20:

Staff agrees with the recommendation. BCAD IS staff is reviewing and revising the change management process with HUB as necessary.

Finding #5: Contingency Planning- Disaster Recovery and Business Continuity Plans are inadequate.

- A. Disaster Recovery and Business Continuity Plans do not include key requirements of Federal information security standards.

Recommendations

21. Enhance current disaster recovery documentation and create a comprehensive business continuity plan including the elements listed in Finding #5 above;
22. Periodically test the plan under conditions that simulate a disaster at least annually once a comprehensive plan has been developed and approved; and
23. Document test results and continually update the plan based on the test results.

Response to No. 21, No. 22 and No. 23:

Agree. The BCAD IS Division is coordinating with SP+ Parking, HUB and BCAD Operations Division to develop a comprehensive business continuity plan. This process will include performing a business impact analysis, reviewing resource allocations and enhancing existing documentation and procedures. Once the plan is implemented, BCAD will annually test the plan under conditions that simulate a disaster and document the results. This plan will become part of the BCAD Continuity of Operations Plan (COOP) and will be regularly updated along with the other BCAD COOP plans.

cc: Kathie-Ann Ulett, Acting County Auditor
Joni Armstrong Coffey, County Attorney