

Internal Audit Department

ORANGE COUNTY
6th Largest County in the USA

Revenue Generating Price Agreement Audit: OC COMMUNITY RESOURCES/OC PARKS PARKING CONCEPTS, INC.

For the Period April 1, 2010
through March 31, 2011

High
Impact
Audit

**\$3.1 MILLION GROSS
RECEIPTS REPORTED
DURING THE AUDIT PERIOD
\$1.8 MILLION REVENUE PAID
TO THE COUNTY**

Parking Concepts, Inc. (PCI) operates parking services at Orange County's Regional Parks, Wilderness Parks, and Beaches. Revenue is paid to the County based on a percentage of gross receipts (parking fees) collected by PCI. During the 12-month audit period, PCI collected approximately **\$3.1 million** in gross receipts, of which the County received about **\$1.8 million (59%)** and PCI was paid about **\$1.3 million (41%)** as an operating fee. Over its three (3) year term, this price agreement is estimated to generate approximately **\$5.2 million** in revenue to the County.

The Internal Audit Department found that PCI's records generally supported gross receipts and overall gross receipts were properly reported to the County; however, some improvements to PCI's records are needed such as those records supporting bank deposits and manual ticket inventory logs. We identified **one (1) Critical Control Weakness** regarding key terms and conditions missing from the price agreement with PCI and **one (1) Significant Control Weakness** regarding lack of bank reconciliations. We also identified **thirteen (13) Control Findings**. OCCR/OC Parks agreed with all **fifteen (15)** findings and recommendations and is working with PCI to implement corrective actions.

AUDIT NO: 1052
REPORT DATE: OCTOBER 7, 2011

Director: Dr. Peter Hughes, CPA
Deputy Director: Eli Littner, CPA, CIA
Senior Audit Manager: Autumn McKinney, CPA, CIA
Senior Internal Auditor: Susan Nestor, CPA, CIA

RISK BASED AUDITING

GAO & IIA Peer Review Compliant – 2001, 2004, 2007, 2010



American Institute of Certified Public Accountants Award to Dr. Peter Hughes as 2010 Outstanding CPA of the Year for Local Government

GRC (Government, Risk & Compliance) Group 2010 Award to IAD as MVP in Risk Management



2009 Association of Certified Fraud Examiners' Hubbard Award to Dr. Peter Hughes for the Most Outstanding Article of the Year – Ethics Pays



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2005 Institute of Internal Auditors' Award to IAD for Recognition of Commitment to Professional Excellence, Quality, and Outreach



ORANGE COUNTY BOARD OF SUPERVISORS'
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Providing Facts and Perspectives Countywide

RISK BASED AUDITING

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OC Fraud Hotline (714) 834-3608



Transmittal Letter



Audit No. 1052 October 7, 2011

TO: Steve Franks, Director
OC Community Resources

FROM: Dr. Peter Hughes, CPA, Director
Internal Audit Department

SUBJECT: Revenue Generating Price Agreement
Audit: OCCR/OC Parks - Parking
Concepts, Inc., PA Z100000007

We have completed our revenue generating price agreement audit of Parking Concepts, Inc., (PCI) parking operations for the period April 1, 2010 through March 31, 2011. The final **OC Internal Auditor's Report** is attached. We performed this audit in accordance with our *FY 2010-11 Audit Plan and Risk Assessment* approved by the Audit Oversight Committee and Board of Supervisors. Our final report is attached for your review.

Please note we have a structured and rigorous **Follow-Up Audit** process in response to recommendations and suggestions made by the Audit Oversight Committee (AOC) and the Board of Supervisors (BOS). As a matter of policy, our **first Follow-Up Audit** will now begin at six months from the official release of the report. A copy of all our Follow-Up Audit reports is provided to the BOS as well as to all those individuals indicated on our standard routing distribution list.

The AOC and BOS expect that audit recommendations will typically be implemented within six months and often sooner for significant and higher risk issues. Our **second Follow-Up Audit** will now begin at six months from the release of the first Follow-Up Audit report, by which time **all** audit recommendations are expected to be addressed and implemented.

At the request of the AOC, we are to bring to their attention any audit recommendations we find still not implemented or mitigated after the second Follow-Up Audit. The AOC requests that such open issues appear on the agenda at their next scheduled meeting for discussion.

We have attached a **Follow-Up Audit Report Form**. Your department should complete this template as our audit recommendations are implemented. When we perform our first Follow-Up Audit approximately six months from the date of this report, we will need to obtain the completed document to facilitate our review.

Letter from Dr. Peter Hughes, CPA



Each month I submit an **Audit Status Report** to the BOS where I detail any material and significant audit findings released in reports during the prior month and the implementation status of audit recommendations as disclosed by our Follow-Up Audits. Accordingly, the results of this audit will be included in a future status report to the BOS.

As always, the Internal Audit Department is available to partner with your staff so that they can successfully implement or mitigate difficult audit recommendations. Please feel free to call me should you wish to discuss any aspect of our audit report or recommendations.

Additionally, we will request your department complete a **Customer Survey** of Audit Services. You will receive the survey shortly after the distribution of our final report.

Attachments

Other recipients of this report are listed on the **OC Internal Auditor's Report** on page 5.

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OC Community Resources/OC Parks
Parking Concepts, Inc.
Audit No. 1052**

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April 1, 2010 through March 31, 2011

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OC Internal Auditor's Report



Audit No. 1052

October 7, 2011

TO: Steve Franks, Director
OC Community Resources

FROM: Dr. Peter Hughes, CPA, Director
Internal Audit Department

SUBJECT: Revenue Generating Price Agreement Audit: OCCR/OC
Parks - Parking Concepts, Inc., PA Z100000007

Audit Highlight

Parking Concepts, Inc. (PCI) operates parking services at Orange County's Regional Parks, Wilderness Parks, and Beaches.

During the 12-month audit period, PCI collected approximately **\$3.1 million** in gross receipts (parking fees), of which the County received about **\$1.8 million (59%)** and PCI was paid about **\$1.3 million (41%)** as an operating fee.

The Internal Audit Department found that PCI's records generally supported gross receipts and overall gross receipts were properly reported to the County; however, some improvements to PCI's records are needed such as those records supporting the bank deposits and manual ticket inventory logs. We identified **one (1) Critical Control Weakness**, **one (1) Significant Control Weakness**, and **thirteen (13) Control Findings**.

OBJECTIVES

In accordance with our *FY 2010-11 Audit Plan and Risk Assessment* approved by the Audit Oversight Committee and the Board of Supervisors, the Internal Audit Department conducted an audit of certain accounting records and source documents for parking collections for the period from April 1, 2010 through March 31, 2011, pertinent to the price agreement (Agreement) between the County of Orange (County) and Parking Concepts, Inc. (PCI), dated July 23, 2008. The Agreement is for the operation of parking services at OC Parks. Our audit objectives are:

- (1) The primary objective of our audit is to determine whether PCI's records adequately support monthly gross receipts remitted and reported to the County.
- (2) The secondary objective of our audit is to determine whether Parking Concepts, Inc. complied with certain other financial provisions of the Agreement, such as financial statements, accounting methods, and monthly gross receipts statement format.
- (3) Because this is the first audit of the new agreement/vendor, a third objective of the audit is to review the revenue controls of the new or upgraded pay stations and to perform a high-level analytical review of gross receipts before and after the new agreement for revenue consistency and reasonableness.

In addition, while performing the audit we may identify internal control weaknesses for which we will identify suggestions for improvement.

RESULTS

Objective #1: We found that PCI's accounting records and source documentation overall supported the reported gross receipts; however, some improvements to PCI's records are needed such as those records supporting bank deposits and manual ticket inventory logs. Additionally, OCCR is not currently reconciling the bank statement with PCI's collection records and we consider this a **Significant Control Weakness**.

Objective #2: We found that PCI appears to be in compliance with the financial provisions of the Agreement. However, the Agreement is missing several key terms and conditions typically standard in this type of agreement and we consider this a **Critical Control Weakness**.

OC Internal Auditor's Report



Objective #3: We found that the revenue controls for the parking equipment appear appropriate. Additionally, based on our high-level analytical review of gross receipts, gross receipts collected and remitted by PCI appear reasonable in relation to the prior year gross receipts collected by OC Parks staff.

While performing the audit, we also identified **thirteen (13) Control Findings** with recommendations for improvement related to: improving records, timely bank deposits, safeguarding cash, timely submission of insurance certifications, parking lot signage, and evaluating free parking locations.

The following *Summary of Findings and Recommendations* shows our findings and recommendations for this audit. See further discussion in the *Detailed Findings, Recommendations and Management Responses* section of this report. See *Attachment A* for a description of Report Item Classifications.

Finding No.	Finding Classification - See Attachment A	Finding Description	Recommendation	Agreement by Management?	Page No. in Audit Report
1.	Critical Control Weakness	Price Agreement Is Not Adequate as Key Clauses are Missing	OCCR/OC Parks modify future agreements or amendments to include the additional key clauses clarifying the County and operator's obligations and responsibilities.	Yes	6
2.	Significant Control Weakness	Bank Reconciliations Not Performed by OCCR	OCCR/Accounting perform monthly bank reconciliations with PCI's collection records.	Yes	9
3.	Control Finding	Pay Station Parking Fee Reports and Cash Counts Not Reconciled by PCI	PCI reconcile parking fees reported (per pay station reports) to the actual cash collected, including change fund activity, by location, whenever cash is collected.	Yes	10
4.	Control Finding	Untimely Cash Deposits by PCI	PCI make deposits no later than one day after collection.	Yes	11
5.	Control Finding	Daily Credit/Debit Card Reports Not Provided to OC Parks	PCI provide a daily summary of credit/debit card settlements to the OCCR/OC Parks.	Yes	12
6. & 7.	Two Control Findings	Ticket Logs Not Maintained by PCI to Account for Manual Pre-Numbered Tickets	<ul style="list-style-type: none"> PCI update the central inventory of manual tickets issued to the various Regional Park locations and keep it current. PCI maintain a daily sequential log of manual tickets used by attendants by location that accounts for gaps in sequence. 	Yes	12

OC Internal Auditor's Report



Finding No.	Finding Classification - See Attachment A	Finding Description	Recommendation	Agreement by Management?	Page No. in Audit Report
8, 9, & 10.	Three Control Findings	Daily and Weekly Collection Reports Provided to OC Parks Should Be Enhanced	<ul style="list-style-type: none"> • PCI generate and provide the Cash Collection Reports to OCCR/OC Parks whenever cash is collected. • PCI modify the Regional Parks Daily Attendant Reports to include prior days' ending ticket numbers. • PCI perform a monthly reconciliation of the Cash Collection Reports (daily/weekly) and Audit Reports (monthly) by location that includes a balancing of the current and prior month's cumulative totals (grand total accumulator). 	Yes	13, 14
11.	Control Finding	Safe Combinations Not Adequately Safeguarded and Security for Cash Transport Needs Improvement	OCCR/OC Parks evaluate cash handling risk areas to determine if any procedural changes can be made and if additional insurance should be obtained.	Yes	15
12.	Control Finding	Insurance Certifications Not Provided Timely by PCI	OCCR/OC Parks ensure the required insurance certifications are submitted timely by PCI.	Yes	15
13. & 14.	Two Control Findings	Add Signage at Beaches, Wilderness Parks, and Regional Parks	<ul style="list-style-type: none"> • OCCR/OC Parks add signage at the Beach and Wilderness Park Pay Stations notifying customers that if fees are not paid they will be cited and fined. • OCCR/OC Parks add signage at parking attendant booths in the Regional Parks advising customers to be sure they receive their manual receipt. 	Yes	16
15.	Control Finding	Free Parking at Some Locations Should be Evaluated	During their next Fee Study, OCCR/OC Parks evaluate whether parking fees can be charged at those OC Parks parking locations where parking is currently free.	Yes	17



BACKGROUND

The County of Orange entered into a Price Agreement (Agreement) with Parking Concepts, Inc. (PCI), dated July 23, 2008 for the operation of parking services located at OC Parks' Regional Parks, Wilderness Parks and Beaches. The Agreement is for installation or upgrade and maintenance of the pay stations, manning of attendant booths at the Regional Parks, and collection and deposit of cash from unattended pay stations. Prior to the Agreement with PCI, parking services were performed by OC Parks staff. **OC Parks informed us that in 2008 this arrangement with PCI was one of the first of its kind in local government parks where the operator not only collects the parking fees but also purchases, installs, and maintains the parking equipment.**

In November 2008, PCI began collecting parking fees at three (3) Beaches, four (4) Wilderness Parks, and one (1) Regional Park (Peters Canyon). In November 2009, PCI began collecting parking fees at nine (9) additional Regional Parks. Therefore, 2010 was the first full year of PCI performing collections at a total of seventeen (17) Regional Parks, Beaches, and Wilderness Parks. Currently, OC Parks staff continue to provide parking collections at O'Neill Regional Park and Caspers Wilderness Park (camping parks).

During the one year audit period, PCI collected approximately **\$3.1 million** in gross receipts, of which the County retained approximately **\$1.8 million (59%)** and PCI was paid approximately **\$1.3 million (41%)** as an operating fee. Over the three (3) year term, this price agreement is estimated to generate about **\$5.2 million** in revenue to the County. See Attachment C for a listing of OC Parks locations that PCI provides parking services for and the related gross receipts.

For the Regional Parks, PCI uses a combination of pay stations and parking attendants to collect the gross receipts. Attendants are usually present on weekends, with the exception of Irvine Regional Park which generally has attendants every day. Hours vary by season (e.g. summer). For the Beaches and Wilderness Parks, no attendants are used and collections are made 100% by the pay stations. See photo below for example of a pay station:



There are various types of pay stations at OC Parks locations. Imaged here is an example of the pay station at Laguna Coast Wilderness Park. See additional photos in Appendix D.



SCOPE, METHODOLOGY, AND EXCLUSIONS

Our audit was limited to certain records and documents that support PCI's gross receipts reported to the County for the 12-month audit period of April 1, 2010 through March 31, 2011. Our audit included inquiry, auditor observation, and limited testing for assessing the adequacy of documentation and ensuring completeness of reported gross receipts. Our audit scope excluded the gross receipts for O'Neill Regional Park and Caspers Wilderness Park (camping parks) that are collected by OC Parks staff rather than PCI. Additionally, our scope excluded the Historical Parks.

ACKNOWLEDGMENT

We appreciate the courtesy and cooperation extended to us by the personnel at OC Community Resources, OC Parks, and Parking Concepts, Inc. If you have any questions regarding our Price Agreement audit, please call me directly or Eli Littner, Deputy Director at (714) 834-5899, or Autumn McKinney, Senior Audit Manager at (714) 834-6106.

- Attachment A: Report Item Classifications**
- Attachment B: OCCR/OC Parks Responses**
- Attachment C: PCI's Parking Collections at OC Parks Locations**
- Attachment D: Sample Photos – Mile Square Park**

Distribution Pursuant to Audit Oversight Committee Procedure No. 1:

Members, Audit Oversight Committee
Thomas G. Mauk, County Executive Officer
Alisa Drakodaidis, Deputy CEO, OC Infrastructure
Mark Denny, Director, OCCR/OC Parks
Kirk Holland, Program Manager, OCCR/OC Parks
Doug Berry, Budget Manager, OCCR/OC Parks
Tom Starnes, Communications Manager, OCCR/OC Parks
Marie Moreno, Manager, OCCR/OC Parks
Anna Peters, Director of Administrative Services, OCCR
Tonya Burnett, Accounting Manager, OCCR/Accounting
Win Swe, Manager, OCCR/Accounting
Joanne Bond, Accounting Office Supervisor, OCCR/Accounting
Foreperson, Grand Jury
Darlene J. Bloom, Clerk of the Board of Supervisor



1. Price Agreement Is Not Adequate as Key Clauses are Missing (**Critical Control Weakness**)

Typically the parking operator agreements we have audited in the past, such as those for John Wayne Airport Parking and OC Public Works/Civic Center Parking, are in the form of an Operating Agreement that is overseen by a real property agent or similar administrator.

For the OC Parks contracted parking services, a Price Agreement rather than an Operating Agreement was created and overseen by a deputy purchasing agent (DPA). This does not appear to be a violation of a County procurement policy. However, we noted that several significant clauses or terms and conditions that typically exist in an Operating Agreement were not included in the Price Agreement with Parking Concepts, Inc. (PCI).

The Price Agreement with PCI was created when OC Parks was a division within OC Public Works. The current DPA overseeing the Price Agreement is not the DPA who originally created that Price Agreement and the reason for using a Price Agreement rather than an Operating Agreement was not documented in the purchasing file.

The Price Agreement with PCI was originally effective 7/23/08 to 7/23/09 for the Wilderness Parks, Beaches, and one (1) Regional Park. The Price Agreement was amended to include nine (9) additional Regional Parks and was extended for two (2) years for the period 7/23/09 to 7/23/11. The Price Agreement is renewable for another two (2) year term (through 7/22/13). Because of the below finding, OC Parks plans to extend the existing Price Agreement for six (6) months (through 1/23/12). This six (6) month period will allow OC Parks time to evaluate options such as extending the current Price Agreement with amended clauses or executing a new Operating Agreement.

Finding No. 1: The Price Agreement (PA) with PCI appears to be inadequate as the below key clauses were not included. Because there are several important clauses not included in the Price Agreement (PA), we consider this to be a **Critical Control Weakness**.

1. Improvements:

- a. Title to Improvements (CRITICAL): PA does not explicitly specify that the County retains title to equipment and improvements. PCI installed/replaced 19 pay stations (regional and wilderness parks) and upgraded/refurbished 20 pay stations (beaches) as part of the PA. This is one of the key expenses incurred by PCI. While it may be implied by the general nature of a price agreement, ownership of improvements should be explicitly stated.
- b. Conditions Governing Improvements and Alterations: PA doesn't specify requirement for OC Parks Director's approval.
- c. Damage to or Destruction of Improvements: PA doesn't specify PCI's liability for damage to improvements.



2. Operator's Responsibilities:

- a. Designation of Operator as Manager: PA doesn't contain clause designating PCI as manager, with no conveyance of interest in real property.
- b. Hours of Operation/Staffing Plan (CRITICAL): PA doesn't specify the operating schedule (hours/days) or locations that PCI should provide parking attendants and doesn't require OC Parks to review or approve the operating schedule. Additionally, the PA doesn't require PCI to develop and propose a written staffing plan outlining the base number of employees, including supervisors, which PCI will use to operate the parking facilities. The staffing plan shall be based upon generally anticipated normal operations at the parking facilities, as well as staffing needs for peak seasons. The staffing plan should include the classifications of employee positions and the duties and responsibilities of each position (such as when the parking attendant also serves as a customer service representative at the smaller parks). Staffing is one of the primary costs incurred by PCI and is a key factor when determining the reasonableness of the 41% of gross receipts paid to PCI as an operating fee. Additionally, without an approved staffing schedule, the County is not contractually protected to ensure there is adequate parking staff at the parking locations.
- c. Dress Code: PA doesn't specify that PCI shall establish and enforce dress code policies as approved by OC Parks, require uniforms be clean, pressed and professional in appearance, or that employees shall wear a conspicuous I.D. badge and distinct uniform pre-approved by OC Parks identifying such persons as parking service employees of PCI.
- d. Policy Manual: PA doesn't require PCI to maintain a current Standard Operating Procedures Manual (Manual) specifying the operating procedures to be followed. Additionally, the PA doesn't require OC Parks to approve the Manual or any subsequent changes or revisions.
- e. Encumbering Prohibited: PA doesn't prohibit the transfer or sublease of operator's interest in parking facilities.

3. Financial Provisions:

- a. Definition of Gross Receipts: PA doesn't specify what is included as reportable gross receipts or who bears the risk of cash loss or theft.
- b. Procedures for Collection and Deposit of Gross Receipts: PA doesn't specify frequency, dollar thresholds, or timeliness requirements for cash pick-ups and deposits.
- c. Security Deposit: PA doesn't require PCI to provide a security deposit as guarantee of full and faithful performance.



- d. Records and Accounts: PA doesn't define minimum accounting records required to be maintained by PCI including source documents supporting gross receipts collected such as two-part pre-numbered manual tickets.
- e. Equipment Revenue Controls: PA doesn't define minimum revenue controls for the pay stations, such as non-resettable counters that lock in collection totals.
- f. Payment Card Industry Data Security Standards (PCI DSS): PA doesn't require the parking equipment, software, credit card processor/gateway, and operator (PCI) to comply with PCI DSS.
- g. Audited Financial Statements: PA doesn't require PCI to submit annual CPA audited Statements of Gross Receipts.
- h. Audits: The County right to audit is included in the PA. However, the PA doesn't specify a County remedy in the event of an underpayment of gross receipts or the failure to maintain adequate records.
- i. Adjustment to Compensation: PA doesn't contain provision to analyze and possibly adjust operator's compensation on a periodic basis.

4. Type of Vendor Agreement and Pricing Methodology:

As stated above, a Price Agreement was used for this contract rather than an Operating Agreement. Typically, we have seen an Operating Agreement used for this type of contract. When this contract is rebid, OCCR/OC Parks should consider using an Operating Agreement.

Additionally, now that OC Parks has more than one full year (all 17 locations) of PCI's experience to evaluate, they should evaluate the current Price Agreement's pricing methodology (including reasonableness of the about \$1.3 million annual 41% operator fee) to determine the most appropriate option for the next type of agreement competitively bid.

In our discussions with OC Parks, they indicated that PCI was responsive to their requests and meeting their expectations in regard to staffing schedules and operating procedures even though those requirements are not specifically stated in the Price Agreement.

As there are other Operating Agreements used in the County that contain the above key clauses, we provided sample Operating Agreements containing the above clauses to OC Parks. Any future agreements or amendments should contain the above clauses. OC Parks should work with County Counsel to determine the appropriate options for including the above clauses.

We understand this issue may take some time to address and certain clauses may have to be implemented later in a future Operating Agreement or the next RFP (request for proposal).



Recommendation No. 1: We recommend that OC Parks evaluate its current options to modify the existing Price Agreement and when possible enter into a new Operating Agreement, to include additional key clauses clarifying the County and operator's obligations and responsibilities as well as the most appropriate pricing methodology.

OCCR/OC Parks Response: Concur. OC Parks will replace the existing PCI Price Agreement with a new Operating Agreement that incorporates all identified key clauses that are recommended in Finding No. 1, except clause #3-i. The Operating Agreement will be implemented immediately following the end of the current six month Price Agreement extension which expires on January 23, 2012. Prior to the expiration of the Operating Agreement, OC Parks will again examine all alternatives to determine the proper elements to be included in the next RFP process (anticipated to be in early 2013). The RFP will include all identified clauses, including clause #3-i.

2. Bank Reconciliations Not Performed by OCCR (Significant Control Weakness)

Parking fees can be paid by cash or credit/debit card. There are seventeen (17) fee parking locations with a total of forty (40) pay stations:

- **Cash:** Parking Concepts, Inc. (PCI) collects cash from the pay stations and parking attendant booths and deposits the cash directly into the County's bank account. For the Regional Parks (parking attendants and pay stations), PCI indicated cash deposits are made weekly. For Wilderness Parks and Beaches (pay stations only), PCI indicated cash deposits are made when needed, either weekly or longer but no later than when \$500 in cash has accumulated. PCI staff can remotely view the balances of cash collections at the pay stations. See untimely deposits Finding No. 4 below.
- **Credit/Debit Cards:** All of the pay stations now accept credit/debit cards. This is one of the conditions in the Price Agreement with PCI. The credit/debit cards are processed electronically via terminals in the pay stations. Settlements are made daily with the credit card companies and the monies are deposited directly into the County's bank account.
- **Attendant Reports:** For the gross receipts collected by parking attendants, two-part pre-numbered handwritten receipts are issued. A daily manual form is completed that documents the beginning and ending numbers of tickets issued along with the cash collected.
- **Pay Station Reports:** For gross receipts collected by the pay stations, an "Audit Report" is generated that summarizes the total amount of parking fees collected, subtotals by payment methods, the count of parking tickets issued by type, and cash overages (extra money put into the pay station). The audit reports lock in the collection totals via a non-resettable grand total accumulator.

Prior to February 2011, cash was collected and deposited from the pay stations but the accompanying Audit Report was not generated to support the deposit. Only a weekly or periodic Audit Report was generated by PCI. Beginning in February 2011, an Audit Report is now generated to support the cash deposit.



Monthly, PCI submits a summary report of gross receipts collected to the County. The report is accompanied by copies of manual deposit slips (generally *weekly*), *daily* parking attendant manual ticket reports, and *weekly* Audit Reports generated from the pay stations. A summary of daily credit/debit card settlements is not provided by PCI (See Finding No. 5 below).

Finding No. 2: A reconciliation between the bank statements and the cash and credit/debit card amounts collected by PCI is not prepared by OCCR. We were informed that OCCR/Accounting was not provided with PCI's collection records and OC Parks did not have access to the County bank statements. This is a **significant control weakness** because without the reconciliation, the County is not assured whether all parking fees collected by PCI were actually deposited. Based on our discussions with OCCR, they determined that OCCR/Accounting is responsible for performing the bank reconciliations and will begin performing them.

We reviewed the bank statement and deposits for the sample month of January 2011. Based on our testing, it appears the cash collections made by PCI in January 2011 were deposited intact. However, our testing of credit card settlements was at a general overall level only as daily settlement reports are not generated from the pay stations by PCI. See Finding No. 5 below.

Recommendation No. 2: We recommend that OCCR/Accounting begin performing monthly bank reconciliations with PCI's collection records.

OCCR/Accounting Response: Concur. OCCR/Accounting will begin performing month bank reconciliations by September 15, 2011.

3. Pay Station Parking Fee Reports and Cash Counts Not Reconciled by PCI (Control Finding)

The pay stations provide change (coins including \$1 coins) to customers paying cash. The coins are stored in a "change cassette" within the pay station. If more coins are collected than can be stored in the change cassette, the extra coin overflow is automatically put into a bag within the pay station to be removed at the next collection.

PCI is responsible for the funding and the periodic replenishing of coins in the change cassettes. At the end of each month, PCI does a complete change cassette swap (removes partially used change cassette and installs new change cassette containing \$100 in coins per pay station) at the Regional and Wilderness Parks. Because the Beach parking fees are by the hour rather than a flat rate for the day, we were informed that PCI doesn't provide change funds for the Beach pay stations.

When PCI collects cash from the various pay stations, the monies are delivered to a PCI office located at John Wayne Airport to be counted and deposited into the County bank account. A PCI employee performs a blind physical cash count and the PCI Program Manager compares the cash count amount to the parking fees reported per the pay station Audit Reports.



Finding No. 3: While PCI does perform a comparison of the physical cash to the parking fees reported per the pay station Audit Reports, there is no documented reconciliation of these two amounts along with the change fund activity, to identify the amount of cash overages/losses. This type of reconciliation is needed to help ensure parking fees collected are deposited intact to the County bank account. The reconciliation also provides documented accountability for the cash which helps protect PCI and the County.

The change fund activity that should be documented in the reconciliation includes: interim and month-end replenishments, coins removed from the pay stations and deposited, coins remaining in the pay station after the collection is performed, and minor differences that exist because the monetary value of coins in the change cassette (per the pay station reports/tapes) is determined based upon weight rather than actual counts (which is reasonable).

Recommendation No. 3: We recommend that OC Parks require PCI to reconcile parking fees reported (per pay station reports) to the actual cash collected, including change fund activity, by location whenever cash is collected. This information should be provided to the County as part of the monthly reporting.

OCCR/OC Parks Response: Concur. PCI will reconcile parking fees reported to the actual cash collected (per pay station reports), including change fund activity. PCI will include this information as part of the monthly reporting. PCI will document this new procedure and then implement the changes. OC Parks and PCI have agreed that this change should not occur during summer, which is OC Parks busiest season. Therefore, reconciliation will begin on November 1, 2011.

4. Untimely Cash Deposits by PCI (Control Finding)

We reviewed the deposits made by PCI for the sample month of January 2011 and identified the following instances of untimely bank deposits:

- **Regional Parks - Attendant Cash Collected:** For the month of January 2011, we noted that cash collected was generally deposited (per the bank statement) between three (3) to ten (10) days after collection. In one instance, the cash collection was deposited twenty-six (26) days after collection.
- **Regional Parks - Pay Stations:** For the month of January 2011, we noted two (2) of seven (7) cash collections were deposited (per the bank statement) six (6) days after collection.
- **Beach and Wilderness Parks - Pay Stations:** For the month of January 2011, we noted that thirteen (13) of twenty-two (22) cash collections were deposited (per the bank statement) between six (6) and eight (8) days after collection. Also, one (1) of the twenty-two (22) cash collections was deposited twenty (20) days after collection.

Finding No. 4: Based on the above, PCI is not depositing cash collections in a timely manner. Cash collections should be deposited either the same day or within one day following collection.



Recommendation No. 4: We recommend that OC Parks require PCI to perform deposits no later than one day after collection.

OCCR/OC Parks Response: Concur. PCI will begin performing deposits no later than one business day after collection beginning September 1, 2011.

5. Daily Credit/Debit Card Reports Not Provided to OC Parks (Control Finding)

Finding No. 5: A report of daily credit/debit card settlements is not generated from the pay stations by PCI and provided to OC Parks. This report is needed to facilitate the monthly bank reconciliation. See Finding No. 2 above.

Recommendation No. 5: We recommend that OC Parks require PCI to provide a daily summary of credit/debit card settlements as part of the monthly supporting documentation.

OCCR/OC Parks Response: Concur. PCI will begin providing a daily summary of credit/debit card settlements as part of the monthly supporting documentation beginning September 1, 2011.

6. Ticket Logs Not Maintained by PCI to Account for Manual Pre-Numbered Tickets (Two Control Findings)

PCI attendants at the Regional Parks manually issue two-part pre-numbered tickets to customers upon payment of parking fees. Tickets are issued by PCI to the various Regional Park locations in sequential blocks and kept in safes located in the attendant booths. A sequential inventory of tickets issued to each location is maintained centrally by PCI.

Finding No. 6: PCI's central inventory of tickets issued to each location is outdated. The log has not been updated for at least six (6) months (since January 2011). Therefore, there is no accountability for the number of tickets and sequence issued to each location.

Recommendation No. 6: We recommend that OC Parks require PCI to update the central inventory of manual tickets issued to the various Regional Park locations and keep it current.

OCCR/OC Parks Response: Concur. PCI will update the central inventory of manual tickets issued to Regional Park locations beginning on September 1, 2011. Changes in inventory will be documented within one business day of the distribution of tickets.

Finding No. 7: In addition to the central inventory, recordkeeping and accountability for the manual pre-numbered tickets at each individual location needs to be improved. PCI does not maintain an accounting or log of ticket usage by location to account for gaps in sequence due to multiple attendants using that locations' assigned block of tickets. The sequential integrity and accountability for manual pre-numbered tickets used at the attendant booths should be documented in a log and gaps accounted for by location.



Recommendation No. 7: We recommend that OC Parks require PCI to maintain a daily sequential log of manual tickets used by attendants by location that accounts for gaps in sequence.

OCCR/OC Parks Response: Concur. PCI will maintain a daily sequential log of manual tickets by September 1, 2011. The daily sequential log will account for gaps in sequence.

7. Daily and Weekly Collection Reports Provided to OC Parks Should Be Enhanced (Three Control Findings)

On a monthly basis, PCI provides OC Parks with the following supporting documentation for gross receipts collected:

- Regional Parks – Parking Attendants: Summary of Daily Attendant Collection Totals Report and Daily Attendant Reports for manual tickets issued.
- Regional Parks, Wilderness Parks, and Beaches – Pay Stations: Summary of Collection Totals by location and pay station (generally prepared weekly but varies) and the pay station Audit Reports (see detailed description above in Finding No. 2) for each pay station denoting cash and credit/debit card transactions. Several deposits may be made within the weekly period reported upon; however, the Audit Reports are only generated for that weekly period. PCI creates a manual report summarizing cash and credit/debit card collections for each location from the Audit Reports on the date of the collection. The Audit Reports also include cash and credit/debit card activity from the collection, as well as cumulative amounts/transaction totals. PCI does not include this information on their report to OC Parks.

Below are three (3) suggested enhancements to the daily/weekly reports provided by PCI:

Finding No. 8: PCI does not generate Audit Reports when cash is removed from the pay stations and instead generates the Audit Reports when preparing the weekly Summary of Collection Totals. This is not a concern regarding the completeness of collections as the Audit Report has grand total accumulators used in balancing. However, this makes it more challenging to reconcile PCI's collections with the bank statements since the Audit Report amounts won't match the actual amount of the bank deposit.

In our discussions with PCI, they explained that in order to generate the Audit Report, the change canister also needs to be replaced. Replacing the change canister will add additional work to PCI's cash collection and balancing process, as well as the burden of transporting change canisters more frequently. PCI typically replaces the change canisters only when needed or at month end. Alternatively, PCI suggested that the Cash Collection Reports generated from the pay stations could be provided whenever monies are removed from the pay stations and a deposit made. Unlike the Audit Reports, the Cash Collection Reports do not report the cumulative gross receipts collected (key control total). However, PCI suggested that they could reconcile the Cash Collection Reports and Audit Reports monthly. See further detail in Finding No. 10 below.

Detailed Findings, Recommendations, and Management Responses



PCI indicated that cash would be 100% reconciled but there will be some timing differences between the credit card sales (per the pay station report) and the credit card settlements with the bank (per the bank statement). PCI and OC Parks need to evaluate the best approach for monitoring or accounting for those timing differences.

PCI's suggested approach appears reasonable and meets the desired objective. The daily/weekly Cash Collection Reports will provide the detail needed by OCCR/Accounting when performing the monthly bank reconciliation. The monthly Cash Collection vs. Audit Report reconciliation will provide assurance regarding the completeness of gross parking receipts.

Recommendation No. 8: We recommend that OC Parks require PCI to generate and provide the Cash Collection Reports from the pay stations whenever cash is collected in order to facilitate the monthly bank reconciliation. Alternatively, PCI could work with OCCR/Accounting to enable their access of the Cash Collection Reports on-line.

OCCR/OC Parks Response: Concur. PCI will generate and provide the Cash Collection Reports (in paper or on-line format) from the pay stations whenever cash is collected by September 1, 2011.

Finding No. 9: Daily Attendant Reports include the beginning and ending ticket numbers used that day but do not include the prior days' ending ticket number. Including the prior days' ending ticket number helps to ensure the sequential integrity and completeness of reported gross receipts from the prior day to the current day.

Recommendation No. 9: We recommend that OC Parks require PCI to modify the Regional Parks Daily Attendant Reports to include prior days' ending ticket numbers.

OCCR/OC Parks Response: Concur. PCI's Regional Parks Daily Attendant Reports will include the day's ending ticket numbers by September 1, 2011.

Finding No. 10: PCI's manual pay station reports do not include cumulative totals (grand total accumulator) from the prior collection. Including the prior collections' cumulative totals helps to ensure the completeness of reported gross receipts from the prior collection to the current collection. For example, the prior day cumulative collections amount less the current day cumulative collections amount should equal the current day collections. In lieu of this, PCI may be able to provide a similar control on a monthly basis; however, the cumulative totals from the prior month would then need to be reported on the current monthly summary report by location (along with applicable calculations).

In our discussions with PCI, they suggested a monthly reconciliation between the Cash Collection Reports and Audit Reports generated from the pay stations. This monthly reconciliation would include balancing the current and prior month's cumulative totals (grand total accumulator balances) for gross parking receipts. See additional details in Finding No. 8 above. PCI's approach appears reasonable.

Recommendation No. 10: We recommend that OC Parks require PCI to perform a monthly reconciliation of the Cash Collection Reports (daily/weekly) and Audit Reports (monthly) by location that includes a balancing of the current and prior month's cumulative totals (grand total accumulator).



OCCR/OC Parks Response: Concur. PCI will perform a monthly reconciliation of the Cash Collection Reports (daily/weekly) and Audit Reports (monthly) by location that includes a balancing of the current and prior month's cumulative totals (grand total accumulator) by September 1, 2011.

8. Safe Combinations Not Adequately Safeguarded and Security for Cash Transport Needs Improvement (Control Finding)

Finding No. 11: During the audit we identified three areas of risk in PCI's cash handling procedures that should be further evaluated by OC Parks:

- There are nine (9) Regional Park locations with safes. Safes are kept in the parking attendant booths at the Regional Parks to store cash collected from manual ticket sales. Only supervisors have the combinations to open the safes and remove the money. Since there are many safes, supervisors keep written lists of the safe combinations attached to their clip board.
- Cash is collected by supervisors from both the parking attendant booth safes and pay stations. Supervisors use cloth shopping bags to transport the cash from the pay stations to the PCI cashier located at John Wayne Airport. For one of the sample days we reviewed, cash collected at Irvine Regional Park on May 30, 2011 (Memorial Day holiday) was approximately \$28,000. Armored pick-up should be considered on peak days.
- Cash pickups are done by a single individual. Certain pay station locations are fairly remote.

One option to help offset the risk of theft/cash loss is to require the vendor to provide additional insurance such as a 3-D bond or crime coverage in the next agreement. A 3-D bond (dishonesty, disappearance, and destruction) or crime coverage covers employee theft, robbery, and vandalism.

Recommendation No. 11: We recommend that OC Parks further evaluate these risk areas to determine if any procedural changes can be made and if additional insurance should be obtained in the future to reduce the cash handling risks identified or reduce the impact.

OCCR/OC Parks Response: Concur. OC Parks and PCI have met on this issue. PCI already has 3-D Crime Coverage and has provided proof of it to OC Parks. Further, all future agreements will include this requirement.

9. Insurance Certifications Not Provided Timely by PCI (Control Finding)

Clause P. of the Price Agreement (Insurance Provisions) requires PCI to purchase all required insurance at contractor's expense and to deposit with the County Certificates of Insurance necessary to satisfy the County that the insurance provisions of this contract have been complied with and to keep such insurance coverage and the certificates on deposit with the County during the entire term of the Price Agreement.



Finding No. 12: PCI's insurance certifications for the period June 2010 through June 2011 were not provided to OC Parks/Purchasing until June 14, 2011.

Recommendation No. 12: We recommend that OC Parks ensure the required insurance certifications are submitted timely by PCI.

OCCR/OC Parks Response: Concur. OCCR Purchasing and PCI will ensure the required insurance certifications are received prior to the expiration of the current insurance certifications.

10. Signage at Beaches, Wilderness Parks and Regional Parks (Two Control Findings)

We visited two Regional Parks, two Wilderness Parks, and two Beaches to observe signage informing customers of parking rules and requirements.

Beach and Wilderness Park pay stations are not "armed." Parking at these locations require either a decal purchased from the County or a pay and display ticket obtained from a pay station. Tickets are to be displayed on windshield. Park Rangers, Sheriff-Coroner, or other local law enforcement agencies periodically patrol the parking lots to enforce parking rules.

Regional Park pay stations are armed; however, manual tickets are also issued by attendants. A two part pre-numbered manual ticket is used; one part kept by the attendant and one part given to the customer.

Finding No. 13: At three (3) of the four (4) sampled Beach and Wilderness Park pay stations, we did not observe any signage specifically informing customers that a citation would be issued for failure to pay and display tickets. For Aliso and Wood Wilderness Park, there was a sign that stated "Violators Will Be Cited." For the other three sites visited (Laguna Coast Wilderness Park, Salt Creek Beach, and Aliso Beach), it was clear that payment was required, but there was no sign specifically stating a citation would be issued.

Recommendation No. 13: We recommend that OC Parks add signage to be posted at the Beach and Wilderness Park Pay Stations notifying customers that if fees are not paid and a ticket is not displayed, they will be cited and fined.

OCCR/OC Parks Response: Concur. OC Parks will add signage at the Beach and Wilderness Park Pay Stations notifying customers that if fees are not paid and a ticket is not displayed, they will be cited and fined. Signage will be in place by September 30, 2011.

Finding No. 14: At the two (2) sample Regional Park attendant booths, we did not observe signage advising customers to be sure they receive their manual ticket with an example of the ticket posted. Since the parking attendants may only be present at some locations during the weekend, a portable sign could be used when attendants are present.



Recommendation No. 14: We recommend that OC Parks display signage at parking attendant booths in the Regional Parks advising customers to be sure they receive their manual receipt, including a sample of what the ticket looks like and a number to call if they don't receive one.

OCCR/OC Parks Response: Concur. OC Parks will display signage at parking attendant booths in the Regional Parks advising customers to be sure they receive their manual receipt. The signage will include a sample of the ticket and a phone number to call if they don't receive one. Signage will be in place by September 30, 2011.

During the audit we identified an issue for OCCR/OC Parks further consideration. While this issue is not specifically part of the audit objectives or scope, this issue is beneficial for management's consideration as it could potentially enhance parking program revenue. See below item 11.

11. Free Parking at Some Locations Should be Evaluated (Control Finding)

Parking fees are charged at most of OC Parks locations for Regional Parks, Wilderness Parks, and Beaches. During our audit, we noted that six (6) locations currently do not charge for parking. The number of parking spaces at each location ranges from 10 to 660 spaces.

Finding No. 15: The County is not receiving parking revenue at six (6) OC Parks Beach or Regional Park locations. It is good business practice to periodically reevaluate criteria used in making charge/no charge decisions. During their next Fee Study (planned within the next 3 to 5 years) or earlier if circumstances change, OC Parks should evaluate whether their parking fee decisions continue to be appropriate, including whether to charge or not charge parking fees. The evaluation should consider not only cost effectiveness, but also impact to the public and park mission.

Recommendation No. 15: We recommend that during their next Fee Study or earlier if circumstances change, OC Parks evaluate whether parking fees should be appropriately charged at those OC Parks parking locations where parking is currently free.

OCCR/OC Parks Response: Concur. During the next Fee Study, OC Parks will evaluate whether parking fees should be appropriately charged at those OC Parks parking locations where parking is currently free.



ATTACHMENT A: Report Item Classifications

For purposes of reporting our audit findings and recommendations, we will classify audit report items into three distinct categories:

▶ **Critical Control Weaknesses:**

Audit findings or a combination of Significant Control Weaknesses that represent critical exceptions to the audit objective(s), policy, and/or business goals. Management is expected to address Critical Control Weaknesses brought to their attention immediately.

▶ **Significant Control Weaknesses:**

Audit findings or a combination of Control Findings that represent a significant deficiency in the design or operation of internal controls. Significant Control Weaknesses require prompt corrective actions.

▶ **Control Findings:**

Audit findings concerning internal controls, compliance issues, or efficiency/effectiveness issues that require management's corrective action to implement or enhance processes and internal controls. Control Findings are expected to be addressed within our follow-up process of six months, but no later than twelve months.



ATTACHMENT B: OCCR/OC Parks Responses

 ORANGE COUNTY
Community Resources
Our Community. Our Commitment.
MEMORANDUM

DATE: September 9, 2011
TO: Peter Hughes, Director, Internal Audit Department
FROM: Steve Franks, Director, OC Community Resources
SUBJECT: Response to Revenue Generating Price Agreement Audit of Parking Concepts, Inc.

STEVE FRANKS
DIRECTOR
OC COMMUNITY RESOURCES

RYAN DRABEK
DIRECTOR
OC ANIMAL CARE

KAREN ROPER
DIRECTOR
OC COMMUNITY SERVICES

MARK DENNY
DIRECTOR
OC PARKS

HELEN FRIED
COUNTY LIBRARIAN
OC PUBLIC LIBRARIES

OC Community Resources has reviewed the Revenue Generating Price Agreement Audit of Parking Concepts, Inc. for the period of April 1, 2010 through March 31, 2011. Our response to the Audit Report is provided in the attachment.

If you have any questions, please contact me at (714) 480-2788.

Attachment: OC Community Resources' Response to Audit Report

C: Thomas G. Mauk, County Executive Officer
Alisa Drakodaidis, Deputy CEO, OC Infrastructure
Mark Denny, Director, OC Parks



ATTACHMENT B: OCCR/OC Parks Responses

OC Community Resources' Response to Revenue Generating Price Agreement Audit of Parking Concepts, Inc.

Recommendation No. 1: We recommend that OC Parks evaluate its current options to modify the existing Price Agreement and when possible enter into a new Operating Agreement, to include additional key clauses clarifying the County and operator's obligations and responsibilities as well as the most appropriate pricing methodology.

OCCR/OC Parks Response: Concur. OC Parks will replace the existing PCI Price Agreement with a new Operating Agreement that incorporates all identified key clauses that are recommended in Finding No. 1, except clause #3-i. The Operating Agreement will be implemented immediately following the end of the current six month Price Agreement extension which expires on January 23, 2012. Prior to the expiration of the Operating Agreement, OC Parks will again examine all alternatives to determine the proper elements to be included in the next RFP process (anticipated to be in early 2013). The RFP will include all identified clauses, including clause #3-i.

Recommendation No. 2: We recommend that OCCR/Accounting begin performing monthly bank reconciliations with PCI's collection records.

OCCR/Accounting Response: Concur. OCCR/Accounting will begin performing monthly bank reconciliations by September 15, 2011.

Recommendation No. 3: We recommend that OC Parks require PCI to reconcile parking fees reported (per pay station reports) to the actual cash collected, including change fund activity, by location whenever cash is collected. This information should be provided to the County as part of the monthly reporting.

OCCR/OC Parks Response: Concur. PCI will reconcile parking fees reported to the actual cash collected (per pay station reports), including change fund activity. PCI will include this information as part of the monthly reporting. PCI will document this new procedure and then implement the changes. OC Parks and PCI have agreed that this change should not occur during summer, which is OC Parks busiest season. Therefore, reconciliation will begin on November 1, 2011.

Recommendation No. 4: We recommend that OC Parks require PCI to perform deposits no later than one day after collection.

OCCR/OC Parks Response: Concur. PCI will begin performing deposits no later than one business day after collection beginning September 1, 2011.



ATTACHMENT B: OCCR/OC Parks Responses

OC Community Resources' Response to Revenue Generating Price Agreement Audit of Parking Concepts, Inc.

Recommendation No. 5: We recommend that OC Parks require PCI to provide a daily summary of credit/debit card settlements as part of the monthly supporting documentation.

OCCR/OC Parks Response: Concur. PCI will begin providing a daily summary of credit/debit card settlements as part of the monthly supporting documentation beginning September 1, 2011.

Recommendation No. 6: We recommend that OC Parks require PCI to update the central inventory of manual tickets issued to the various Regional Park locations and keep it current.

OCCR/OC Parks Response: Concur. PCI will update the central inventory of manual tickets issued to Regional Park locations beginning on September 1, 2011. Changes in inventory will be documented within one business day of the distribution of tickets.

Recommendation No. 7: We recommend that OC Parks require PCI to maintain a daily sequential log of manual tickets used by attendants by location that accounts for gaps in sequence.

OCCR/OC Parks Response: Concur. PCI will maintain a daily sequential log of manual tickets by September 1, 2011. The daily sequential log will account for gaps in sequence.

Recommendation No. 8: We recommend that OC Parks require PCI to generate and provide the Cash Collection Reports from the pay stations whenever cash is collected in order to facilitate the monthly bank reconciliation. Alternatively, PCI could work with OCCR/Accounting to enable their access of the Cash Collection Reports on-line.

OCCR/OC Parks Response: Concur. PCI will generate and provide the Cash Collection Reports (in paper or on-line format) from the pay stations whenever cash is collected by September 1, 2011.

Recommendation No. 9: We recommend that OC Parks require PCI to modify the Regional Parks Daily Attendant Reports to include prior days' ending ticket numbers.

OCCR/OC Parks Response: Concur. PCI's Regional Parks Daily Attendant Reports will include the day's ending ticket numbers by September 1, 2011.



ATTACHMENT B: OCCR/OC Parks Responses

OC Community Resources' Response to Revenue Generating Price Agreement Audit of Parking Concepts, Inc.

Recommendation No. 10: We recommend that OC Parks require PCI perform a monthly reconciliation of the Cash Collection Reports (daily/weekly) and Audit Reports (monthly) by location that includes a balancing of the current and prior month's cumulative totals (grand total accumulator).

OCCR/OC Parks Response: Concur. PCI will perform a monthly reconciliation of the Cash Collection Reports (daily/weekly) and Audit Reports (monthly) by location that includes a balancing of the current and prior month's cumulative totals (grand total accumulator) by September 1, 2011.

Recommendation No. 11: We recommend that OC Parks further evaluate these risk areas to determine if any procedural changes can be made and if additional insurance should be obtained in the future to reduce the cash handling risks identified or reduce the impact.

OCCR/OC Parks Response: Concur. OC Parks and PCI have met on this issue. PCI already has 3-D Crime Coverage and has provided proof of it to OC Parks. Further, all future agreements will include this requirement.

Recommendation No. 12: We recommend that OC Parks ensure the required insurance certifications are submitted timely by PCI.

OCCR/OC Parks Response: Concur. OCCR Purchasing and PCI will ensure the required insurance certifications are received prior to the expiration of the current insurance certifications.

Recommendation No. 13: We recommend that OC Parks add signage to be posted at the Beach and Wilderness Park Pay Stations notifying customers that if fees are not paid and a ticket is not displayed, they will be cited and fined.

OCCR/OC Parks Response: Concur. OC Parks will add signage at the Beach and Wilderness Park Pay Stations notifying customers that if fees are not paid and a ticket is not displayed, they will be cited and fined. Signage will be in place by September 30, 2011.

Recommendation No. 14: We recommend that OC Parks display signage at parking attendant booths in the Regional Parks advising customers to be sure they receive their manual receipt, including a sample of what the ticket looks like and a number to call if they don't receive one.

OCCR/OC Parks Response: Concur. OC Parks will display signage at parking attendant booths in the Regional Parks advising customers to be sure they receive their manual receipt. The signage will include a sample of the ticket and a phone number to call if they don't receive one. Signage will be in place by September 30, 2011.



ATTACHMENT B: OCCR/OC Parks Responses

**OC Community Resources' Response to
Revenue Generating Price Agreement Audit of Parking Concepts, Inc.**

Recommendation No. 15: We recommend that during their next Fee Study or earlier if circumstances change, OC Parks evaluate whether parking fees should be appropriately charged at those OC Parks parking locations where parking is currently free.

OCCR/OC Parks Response: Concur. During the next Fee Study, OC Parks will evaluate whether parking fees should be appropriately charged at OC Parks parking locations where parking is currently free.

Detailed Findings, Recommendations, and Management Responses



ATTACHMENT C: PCI's Parking Collections at OC Parks Locations

Location	*2008 Gross Receipts	**2009 Gross Receipts	2010 Gross Receipts	Pay Station	Parking Attendant (as needed)
Irvine Regional Park	633,591	583,819	809,962	X	X
Salt Creek	437,368	475,684	452,202	X	
Mile Square Regional Park	255,554	227,788	257,149	X	X
Yorba Regional Park	208,277	227,060	253,110	X	X
Aliso Beach	151,694	231,928	234,199	X	
Clark Regional Park	175,314	182,792	183,810	X	X
Laguna Nigel Regional Park	168,826	177,907	169,657	X	X
Craig Regional Park	175,273	165,111	163,119	X	X
Mason Regional Park	110,732	128,982	135,149	X	X
Carbon Canyon Regional Park	142,695	123,400	131,727	X	X
Laguna Coast Wilderness Park	53,034	58,444	75,470	X	
Peters Canyon Regional Park	22,053	42,138	48,974	X	X
Capistrano Beach	63,023	58,058	61,347	X	
Aliso and Wood Wilderness Park	35,285	34,637	36,068	X	
Santiago Oaks Regional Park	21,843	30,619	33,227	X	X
Limestone-Whiting Wilderness Park	7,261	17,210	20,480	X	
Thomas F. Riley Wilderness Park	4,509	5,650	7,496	X	
Totals	2,666,332	2,771,227	3,073,146		

Source: OC Parks

* PCI began collecting parking fees at the three (3) Beaches, four (4) Wilderness Parks, and one (1) Regional Park (Peters Canyon) in November 2008.

** In November 2009, PCI began collecting parking fees at nine (9) additional Regional Parks. Therefore, 2010 was first full year of PCI performing collections at a total of seventeen (17) Regional Parks, Beaches, and Wilderness Parks.

ATTACHMENT D: Sample Photos – Mile Square Park

Attendant Booth at Mile Square Park



Pay Station at Mile Square Park

