



# Parking Operations

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Audit Report No. R2403 | *January 3, 2024*



## Executive Summary

### Audit Objective

To assess the effectiveness of controls within Parking & Transportation operations as well as the financial impacts resulting from the pandemic.

### Controls and Strengths

- Strong inter-departmental communication exists regarding the issuance of citations.
- Strong campus communication exists regarding parking operations, and the team welcomes feedback from the campus community as an effort to improve operations.
- Strong information technology (IT) and access controls exist for the T2 Flex system.

### Overall Conclusion

Controls over Parking & Transportation processes are generally effective, and the financial impacts resulting from the pandemic have been addressed by management; however, implementation of the recommendations included in the report will help improve processes and controls over financial and operating processes.

### Observations by Risk Level

Management has reviewed the observations and has provided responses and anticipated implementation dates. Detailed information is included in the attached report.

Recommendation	Risk Level	Management’s Implementation Date
1. Contract Monitoring	Medium	Implemented
2. Cost Center Reconciliations	Medium	Implemented
3. Citation and Booting Process	Low	March 30, 2024
4. Property Management	Low	Implemented

*For details about the audit and methodology, explanation of risk levels, and report distribution, please see Appendices A, B, and C, respectively, in the attached report.*



## Detailed Audit Results

Observation	Risk Level/Effect	Recommendation <sup>1</sup>
<p><b>1. Contract Monitoring</b></p> <p>The UT Dallas <a href="#">Contract Management Handbook</a>, Section 7.2, <i>Performance Monitoring</i>, provides departments with guidance on this key function of proper contract administration.</p> <p>Parking &amp; Transportation has numerous contracts with outside entities, one of which is with Dallas Area Rapid Transit (DART). The DART contract is an interlocal agreement that provides services for the UT Dallas bus route. In 2016, UT Dallas and DART signed an agreement outlining DART’s responsibilities. The agreement was amended in 2020 to add additional vehicles to the routes and modify operating hours. As allowed by the agreement, DART began subcontracting with Echo Transportation to provide services, and DART became the contractor that is responsible for monitoring this subcontractor.</p> <p>While Parking &amp; Transportation is in regular communication with both the contractor and subcontractor leadership, they are not documenting the monitoring in accordance with</p>	<p>UT Dallas is susceptible to safety, reputational, and/or financial risks if an incident occurs and UT Dallas has not done its due diligence to ensure that contractors comply with the contracts as well as subcontractors.</p>	<p style="text-align: center;"><b>Medium Risk</b></p> <p>Management should develop a contract monitoring plan that is updated on a periodic basis for all contracts as required by the UT Dallas Contract Management Handbook.</p>

<sup>1</sup> See Appendix B on page 15 for definitions of observation risk rankings. Minimal risk observations were communicated to management separately.



Observation	Risk Level/Effect	Recommendation <sup>1</sup>
<p>the Contract Management Handbook. Although UT Dallas is not directly responsible for monitoring the subcontract, certain safety risks, such as background checks of drivers and maintenance of the buses, should be periodically provided by DART during periodic discussions with UT Dallas to help mitigate any safety and reputational risks that could be caused if the contractor was not properly monitoring the subcontractor. Also, according to the Contract Management Handbook, Section 1.6, “Contractors should remain responsible for the performance of the contract notwithstanding any such assignment or subcontract.”</p>		
<p><b>Management’s Action Plan:</b></p> <p>The 883 Comet Cruiser route was initiated by UT Dallas in 2008. At the time the route was initiated, UT Dallas contracted with a subcontractor, currently ECHO Transportation, to provide the service. Originally, UT Dallas was responsible for monitoring the subcontractor’s performance and compliance with the contract.</p> <p>The contractual relationship changed in 2016 when DART took over the contract to operate the 883 Comet Cruiser and the route became an official DART route. At that time, the responsibility to monitor ECHO Transportation’s performance was transferred from UT Dallas to DART. Currently, UT Dallas is responsible for sharing with DART fifty percent of the cost to operate the 883 Comet Cruiser and assisting with the planning and management of the route to represent UT Dallas’ interests.</p> <p>As the party responsible for the 883 Comet Cruiser contract, DART monitors key performance parameters such as bus operators’ driving records, on-time performance, customer concerns, and conducts onsite monitoring. DART reports all compliance monitoring findings to UT Dallas for evaluation. Additionally, DART, UT Dallas and ECHO Transportation meet frequently to</p>		



Observation	Risk Level/Effect	Recommendation <sup>1</sup>
<p>discuss the results of the monitoring program. A copy of DART’s contract monitoring plan has been provided to Audit as part of the management response.</p> <p>As indicated in Section 7.2.1 of the Contract Management Handbook, not all contracts require extensive monitoring. The level of monitoring depends on several factors including the Institution’s experience with the contractor. As the agency responsible for providing public transportation in the Dallas-Fort Worth area, DART has extensive experience in contract management and performance monitoring in the transportation industry. Based on DART’s extensive experience in contract monitoring and public transportation management, as well as UT Dallas monitoring of the process, it is management’s position that the risk of noncompliance has been reduced to a minimal level. UT Dallas Parking and Transportation will continue to work with DART to make sure periodic monitoring continues to take place and evaluate all findings reported by the DART’s team.</p> <p><b>Responsible Party Name and Title:</b> Cris Aquino, Director of Parking and Transportation</p> <p><b>Estimated Date of Implementation:</b> Currently implemented. We will continue to review DART’s monitoring process on an on-going basis.</p>		
<p><b>2. Cost Center Reconciliations</b></p>		<p><b>Medium Risk</b></p>
<p>Cost center reconciliations are conducted to demonstrate good stewardship and accountability of financial resources. Cost Center Reconciliation guidelines<sup>2</sup> state that “cost center owners should assign the reconciliation process to someone in their department who is knowledgeable of the financial activity to ensure that an effective reconciliation occurs.”</p> <p>Within Parking &amp; Transportation, certain cost centers contain thousands of lines, complex</p>	<p>Not having the actual reconciler certify that the reconciliation was conducted in accordance with University guidelines could increase the risk of errors or fraud and does not reflect the actual process in place.</p>	<p>Change the reconciliation process to ensure that the employee taking responsibility for the reconciliation signs off as reconciler in the University’s system.</p>

<sup>2</sup> <https://finance.utdallas.edu/managing-departmental-finances/cost-center-reconciliation/>



Observation	Risk Level/Effect	Recommendation <sup>1</sup>
<p>transactions, and confidential student information related to parking fees and fines. In reviewing the process, we noted student workers are responsible for gathering the detailed information for the reconciliations but were also signing off on the reconciliations. The Director is responsible for approving the reconciliations. Signing off on the reconciliations as reconciler (the student worker) and as approver (the Director) is documentation that the person signing off certifies that the cost centers are accurate, authorized, appropriate, and in compliance with policies and procedures.</p> <p>Although a separate manager reviews the information before the students sign off on the reconciliations, and according to the department's process is the actual reconciler, we recommend that student workers do not sign off on the reconciliation, and instead revise the process to have the manager who reviews their work sign off on the reconciliation prior to the Director's approval.</p>		
<p><b>Management's Action Plan:</b></p> <p>Parking and Transportation conducts monthly cost center reconciliation to confirm the accuracy of all revenues and expenses. Due to the number of transactions, Parking and Transportation engages the services of trained graduate students to assist with compiling and uploading supporting documentation for reconciliation. The Parking and Transportation Manager reviews all documentation compiled by student workers, as well as adds additional documentation, reconciliation comments, and confers</p>		



Observation	Risk Level/Effect	Recommendation <sup>1</sup>
<p>with other UT Dallas departments regarding any questionable transaction. Subsequently, the Assistant Director conducts a secondary review and final reconciliation. The Director of Parking and Transportation then reviews and approves the monthly reconciliation. After the Director approves the monthly reconciliation, the AVP of Auxiliary Services conducts a final review of the monthly reconciliation.</p> <p>The established cost center reconciliation process provides for a robust check and balance system that includes the participation of a trained graduate student worker and four full-time employees. The reconciliation process provides reasonable assurance that any erroneous transaction is detected in a timely manner and reduces the risk of noncompliance to a minimal level.</p> <p>Per Audit’s recommendation, the function of checking the “reconciled” box in Galaxy has been transferred from student workers to the full-time staff conducting the review and reconciliation.</p> <p><b>Responsible Party Name and Title:</b> Cris Aquino, Director of Parking and Transportation</p> <p><b>Estimated Date of Implementation:</b> Implemented on 11/10/2023</p>		
<p><b>3. Citation and Booting Process</b></p>		<p><b>Low Risk</b></p>
<p>The Parking &amp; Transportation website contains “Impound Guidelines” which include but are not limited to “vehicles or accounts with three (3) or more outstanding citations.” The guidelines also state that “previously booted vehicles are subject to towing if parked on UT Dallas property without paying all outstanding citations...” In testing the citation and booting process, we found the following:</p> <ul style="list-style-type: none"> <li>• 20% of individuals with booted vehicles tested did not pay off their outstanding</li> </ul>	<p>Lack of consistency within permit, citation, and/or boot procedures can lead to loss of revenue.</p>	<p>Revise existing guidelines to reflect actual process and consider options to ensure faculty and staff comply with the guidelines.</p>



Observation	Risk Level/Effect	Recommendation <sup>1</sup>
<p>balance or start a payment plan within a reasonable amount of time after paying their boot fee.</p> <ul style="list-style-type: none"><li>• Another account found during separate testing on unpaid citations did not pay their outstanding citations after paying their boot fee.</li><li>• One account was found to have purchased three permits (Annual Employee Virtual Green, Monthly Gold, and Weekly Gold) while having four outstanding citations and being boot eligible.</li></ul> <p>While students receive a hold on their accounts, faculty and staff appear to have no incentive to pay outstanding citations if they have less than the bootable amount.</p>		
<p><b>Management's Action Plan:</b></p> <p>Parking and Transportation consistently applies enforcement practices to students, faculty, and staff parking accounts. The current booting policy stipulates that vehicles or accounts that have three or more outstanding citations are eligible for vehicle immobilization. The audit did not identify any instance of non-compliance or lack of consistency with the way that vehicles are booted as established by the booting policy.</p> <p>The main purpose of the vehicle booting program is not to generate revenue, but to ensure that vehicles that are parked on campus are compliant with UT Dallas parking policy.</p>		





Observation	Risk Level/Effect	Recommendation <sup>1</sup>
<p>During the 24-month period of FY22-FY23, Parking and Transportation booted 133 vehicles for failure to comply with UT Dallas parking policy. Of the 133 booted vehicles, 86% (114 vehicles) paid all citations in full. 12% (16 vehicles) discontinued parking on campus after being booted, and 2% (3 vehicles) were subsequently towed off campus.</p> <p>The booting program metrics confirm that the program is very effective at meeting its purpose, with a 100% success rate of removing vehicles from campus that do not comply with UT Dallas parking policy.</p> <p>Currently, students with outstanding parking citations have a hold applied to their student account. Since most employees are unaffected by academic holds, Parking and Transportation will develop an internal process to ensure that employees with less than three outstanding citations are subject to appropriate enforcement practices.</p> <p><b>Responsible Party Name and Title:</b> Cristian Aquino, Director of Parking and Transportation.</p> <p><b>Estimated Date of Implementation:</b> March 30, 2024</p>		
<p><b>4. Property Management</b></p>		<p><b>Low Risk</b></p>
<p>The Parking &amp; Transportation department maintains an inventory of 83 capital and controlled assets totaling \$388,428 (as of the date of the audit).</p> <p>Testing was performed to provide assurance as to the effectiveness of controls over property management and <a href="#">UT Dallas Property Administration Policy</a>. The department currently has a license plate reader truck under a lease agreement. The license plate reader that is attached to the truck and owned by UT Dallas, had not been added to the property inventory.</p>	<p>Without strong inventory controls, the risk of loss or misuse of assets, reputational harm, and noncompliance with applicable policies and procedures is increased.</p>	<p>Develop internal procedures and conduct periodic inventories of assets. Consider working with AccessAbility Services to purchase a van specifically equipped to handle disability and accessibility services.</p>



Observation	Risk Level/Effect	Recommendation <sup>1</sup>
<p>The department added the asset during the audit; however, periodic inventories of all departmental assets would help ensure the asset listing is complete and up to date.</p> <p>The license reader truck is also being used to provide transportation and accessibility services to students on campus. The truck is not properly equipped to provide the services. To be able to provide transportation and accessibility services to the campus, a handicapped accessible van should be used that has the proper equipment installed and can be used by the students safely.</p>		
<p><b>Management's Action Plan:</b></p> <p>Parking and Transportation conducts periodic inventory to ensure the accuracy and completeness of all department assets. As indicated in the audit report, one asset out of the 83 assets identified during the audit did not have an asset tag. The untagged asset is associated with the system used to conduct license plate recognition enforcement. Parking and Transportation worked with UT Dallas Inventory to have the asset tagged during the audit.</p> <p>Parking and Transportation receives multiple transportation assistance requests on a weekly basis from students, faculty and staff with mobility constraints. Requests from students with accessibility needs comprise most of the accessible requests received. Parking and Transportation uses golf carts to fulfill accessible requests to the inner campus, two of the golf carts utilized are wheelchair accessible. However, requests are also received for service to WSTC and ROC. For safety reasons and to be in compliance with City of Richardson traffic code and UT Dallas vehicle policy, accessible requests to WSTC and ROC are fulfilled using one of the department's two trucks, which are the only vehicles available to the department for this function. Parking and Transportation provides accessible transportation service free of charge. As a result, there is not a specific budget allocation for this service. Parking and Transportation will work with AccessAbility Services to identify funding for the purchase of a street legal, paratransit equipped vehicle.</p>		



Observation	Risk Level/Effect	Recommendation <sup>1</sup>
<p><b>Responsible Party Name and Title:</b> Cristian Aquino, Director of Parking and Transportation</p> <p><b>Estimated Date of Implementation:</b> Untagged asset was tagged on 4/1/2023 before the completion of the audit</p>		

### Overall Conclusion

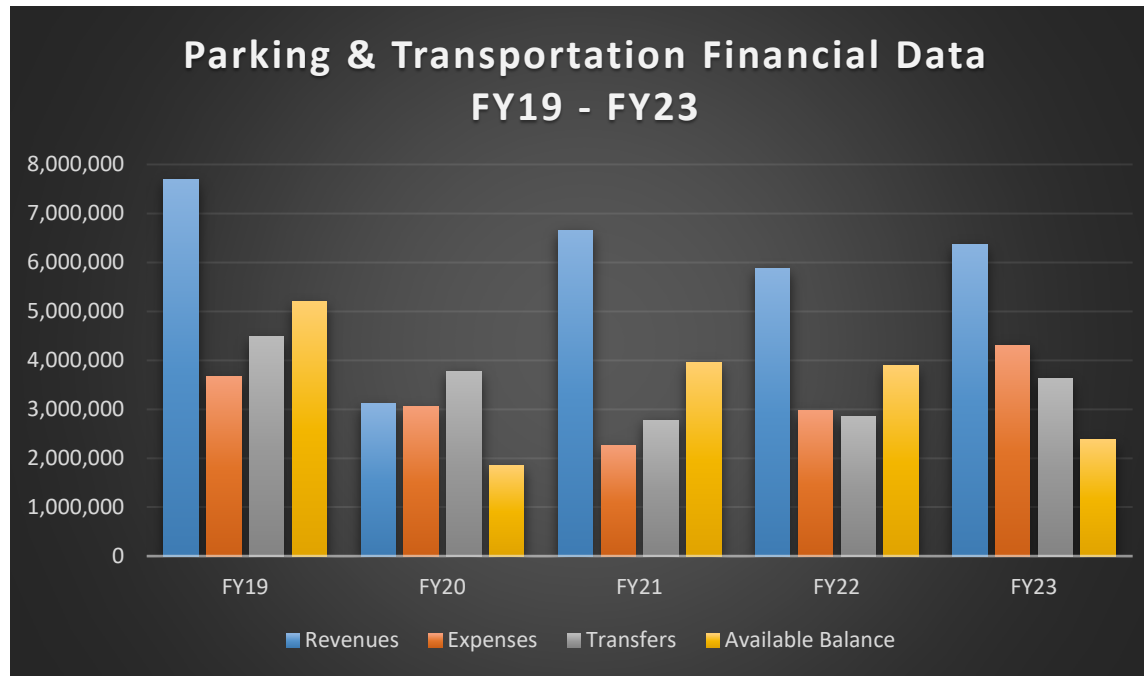
Controls over Parking & Transportation processes are generally effective, and the financial impacts resulting from the pandemic have been addressed by management; however, implementation of the recommendations included in the report will help improve processes and controls over financial and operating processes.



## Appendix A: Information Related to the Audit

### Background

The Parking & Transportation Office, part of [Auxiliary Services](#) and reporting to the Vice President of Facilities and Economic Development through the Associate Vice President for Auxiliary Operations and Economic Development, is responsible for overseeing the sale of permits and carrying out enforcement activities in parking lots and structures across campus. Financial information for the past five years is depicted in the following graph<sup>3</sup>.

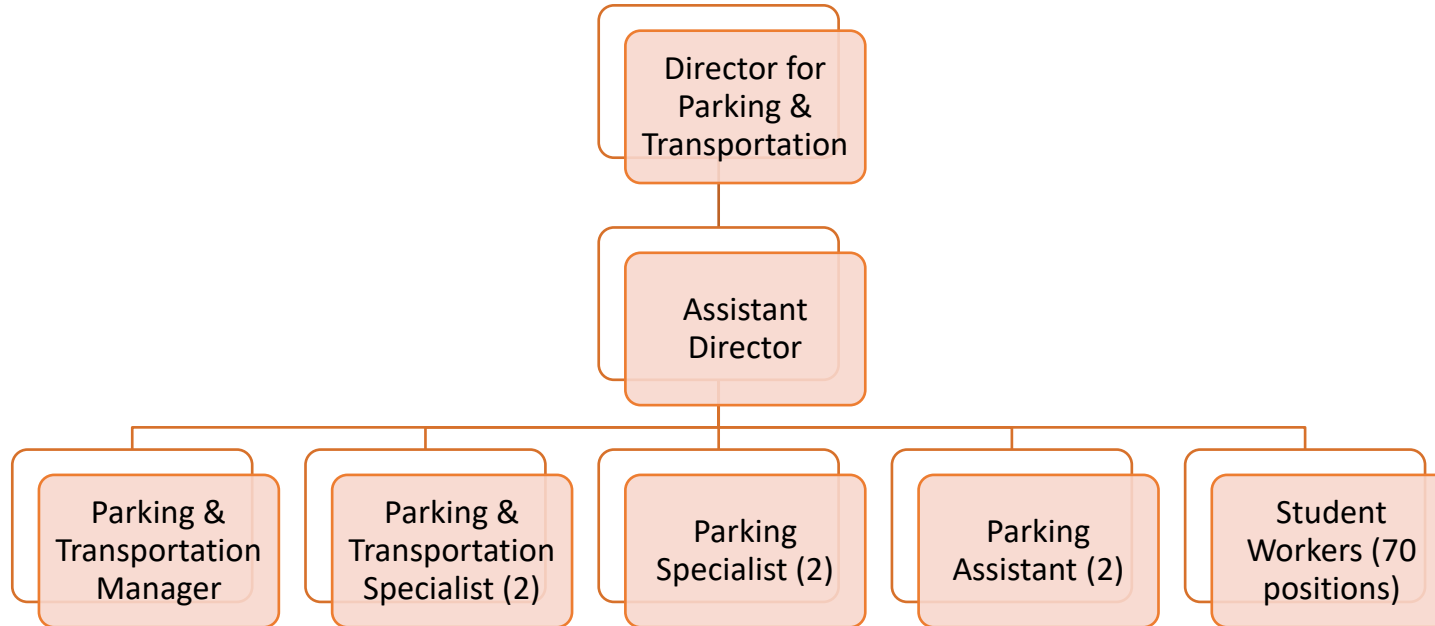


<sup>3</sup> Source: Reporting Console in PeopleSoft (Gemini) accounting system



The Parking & Transportation Director leads the department. At the beginning of FY24, the department was comprised of nine full-time employees and on average, approximately 70 student workers (ticket writers, comet cab drivers, and cashiers).

### ORGANIZATIONAL CHART



### Objective

To assess the effectiveness of controls within Parking & Transportation operations as well as the financial impacts resulting from the pandemic.

### Scope

The scope of the audit was FY21 to current operations. Fieldwork began in June 2022, and the audit concluded on October 31, 2023.



## Methodology

The audit was conducted in conformance with the Institute of Internal Auditors' *International Standards for the Professional Practice of Internal Auditing*. Additionally, we conducted the audit in accordance with generally accepted government auditing standards (GAGAS). Both standards are required by the Texas Internal Auditing Act, and they require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. The Office of Audit and Consulting Services is independent per both standards for internal auditors.

Our audit methodology included interviews, observations of processes, reviews of documentation, and testing. The following table outlines our audit procedures and overall controls assessment for each of the audit area objectives performed.

Audit Area	Methodology	Observations Related to the Audit Area
Gaining an Understanding of Operations	Gained an understanding of operations by conducting interviews personnel and observing various policies and procedures.	Minor observations related to governance were discussed with management.
Data Analytics and Financial Health	Reviewed financial data, including budgets, contracts, revenues, and debt schedules.	Observation #1 Contract Monitoring
Revenues and Expenses	Reviewed and tested revenues and expenses for the effectiveness of controls relating to the reliability and integrity of financial and operational information, compliance with policies, and the effectiveness of operations.	Observation #2 Cost Center Reconciliations
Higher Education Emergency Relief Fund (HEERF)	Determined HEERF requirements related to parking refunds.	None
IT Access Controls	Evaluated processes and tested controls related to user access within the T2 parking system and license plate reader system.	None



Audit Area	Methodology	Observations Related to the Audit Area
Operations	Tested the following for effectiveness of controls relating to the reliability and integrity of financial and operational information, compliance with policies, the effectiveness of operations, and the safeguarding of assets: <ul style="list-style-type: none"><li>• Parking refunds</li><li>• Unpaid citations</li><li>• Booting process</li><li>• Salaries and wages</li><li>• Property inventory</li></ul>	Observation #3 Citation and Booting Process  Observation #4 Property

### Follow-up Procedures

Though management is responsible for implementing the course of action outlined in the response, we will follow up on the status of implementation subsequent to the anticipated implementation dates. Requests for extension to the implementation dates may require approval from the UT Dallas Audit Committee. This process will help enhance accountability and ensure that timely action is taken to address the observations.



## Appendix B: Observation Risk Rankings

Audit observations are ranked according to the following definitions, consistent with UT System Audit Office guidance.

Risk Level	Definition
<b>Priority</b>	If not addressed immediately, a priority observation has a significant probability to directly impact the achievement of a strategic or important operational objective of UT Dallas or the UT System as a whole. These observations are reported to and tracked by the UT System Audit, Compliance, and Risk Management Committee (ACRMC).
<b>High</b>	High-risk observations are considered to be substantially undesirable and pose a high probability of adverse effects to UT Dallas either as a whole or to a division/school/department level.
<b>Medium</b>	Medium-risk observations are considered to have a moderate probability of adverse effects to UT Dallas either as a whole or to a division/school/department level.
<b>Low</b>	Low-risk observations are considered to have a low probability of adverse effects to UT Dallas either as a whole or to a division/school/department level.
<b>Minimal</b>	Some recommendations made during an audit are considered of minimal risk, and the observations are verbally shared with management during the audit or at the concluding meeting.






## Appendix C: Report Submission and Distribution

We thank the Parking & Transportation department management and staff for their support, courtesy, and cooperation provided throughout this audit.

Respectfully Submitted,

DocuSigned by:  
  
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Toni Stephens, CPA, CIA, CRMA, Chief Audit Executive

### Distribution List

*Members and ex-officio members of the UT Dallas Institutional Audit Committee*

#### *Responsible Vice President*

Dr. Calvin Jamison, Vice President for Facilities and Economic Development

#### *Persons Responsible for Implementing Recommendations:*

Mr. Cris Aquino, Director of Parking & Transportation

#### *Other Interested Parties*

Mr. Bob Fishbein, Associate Vice President for Auxiliary Operations and Economic Development

#### *External Parties*

- The University of Texas System Audit Office
- Legislative Budget Board
- Governor's Office
- State Auditor's Office

#### *Engagement Team*

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