

Office of the City Auditor and Clerk

Internal Audit



CASH HANDLING PARKING OPERATIONS

Audit #25-05

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A handwritten signature in blue ink, reading "Shayla Griggs".

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Shayla Griggs, City Auditor and Clerk

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Executive Summary

Audit #25-05 Cash Handling Parking Operations

Audit Purpose, Scope and Time Period

Internal Audit performed an operational/compliance audit of the Parking Operations Division's (POD) cash receipt procedures.

The purpose of this audit was to provide reasonable assurance that there are adequate controls for the collection, recording, and reconciling of cash receipts. The scope of this audit included a review of current POD cash receipt procedures, activities, processes, and management review.

The audit period was October 1, 2023, to March 31, 2025.

Audit Objectives

1. Determine if POD's internal controls are operating as intended for safeguarding cash collections at all payment locations.
2. Determine if POD cash receipts are properly recorded, deposited, and reconciled.

Summary Background

The City of Sarasota's (City) Parking Operations Division's (POD) is responsible for oversight of the city's parking assets and management of the parking system. POD currently oversees all the garages, on street parking and off-street surface parking lots, parking enforcement of city and state parking ordinances, valet parking permits, employee parking permits, residential parking permits, collection of parking fines, parking projects, and statistical reporting.

This audit focused on the collecting, recording, depositing, and reconciling of cash and revenue generated from on-street metered spots, garage lots, and parking fees and fines.

Summary of Conclusions

- Controls were generally operating as intended for safeguarding cash collections; however, opportunities for improvement were identified.
- Controls over the customer payment receipting process should be improved to ensure proper reconciliation, reporting, and monitoring processes are in place and function properly, see detailed audit report.

At the conclusion of the audit, management is in the process of implementing controls over reconciling, reporting and monitoring, see detailed audit report for management responses.

This Executive Summary is limited in detail. To obtain the full background on a particular item, please read the Detailed Audit Report or contact Internal Audit prior to drawing conclusions based upon the limited information contained in this summary.

Detailed Audit Report

Audit #25-05 Cash Handling Parking Operations

Background and Introduction

The City of Sarasota's (city) Parking Operations Division's (POD) is responsible for oversight of the city's parking assets and management of the parking system. POD currently oversees all the city owned garages, on street parking and off-street surface parking lots, parking enforcement of city and state parking ordinances, valet parking permits, employee parking permits, residential parking permits, collection of parking fines, parking projects, and statistical reporting. The city currently has over 3,000 parking spaces, 458 metered parking spaces and three fee based parking garages. The three current parking garages accepting payments include:

State Street (400 spaces)
Palm Avenue (729 spaces)
St. Armands (480 spaces)

Revenue is collected five days a week from 8:00 am to 4:30 pm at the POD window in the city's 2nd Street building, known as the One Stop Shop (OSS). All metered and garage cash revenue is generally collected, counted, and deposited on a weekly basis. The city also has events that charge a flat rate for parking called Pay on Entry Events or POE. For these events, pre-numbered tickets are handed out as vehicles enter and a \$5.00 fee is collected for every ticket. Once the event is over, an employee stands at the exit and collects the other half of the ticket to verify all vehicles have paid. After their shift is over, each employee fills out a POE shift report that breaks out the number of tickets issued with the revenue earned. Then this report, along with their tickets and cash, is dropped in a safe to be counted later and deposited. When the cash collection employees count the money, they verify that the number of tickets sold matches the total number of tickets used during the event and that the revenue matches the tickets sold. All revenue collected is entered into Workday along with supporting documentation.

Audit Standards

The auditors conducted this audit in conformance with the International Standards for the Professional Practice of Internal Auditing. Those standards require 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 findings and conclusions based on the audit objectives.

Audit Purpose, Scope, and Time Period

The purpose of this audit was to provide reasonable assurance that there are adequate controls for the collection, recording, and reconciling of cash receipts. The scope of this audit included a review of current POD cash receipt procedures, activities, processes, and management review.

The audit period was October 1, 2023, to March 31, 2025.

Audit Objectives

The audit focused on the following objectives:

1. Determine if POD's internal controls are operating as intended for safeguarding cash collections at all payment locations.
2. Determine if POD cash receipts are properly recorded, deposited, and reconciled.

Testing Methodology

To achieve the objectives the auditor:

- Utilized computer-generated software to select a random sample of revenue entries,
- Reviewed a sample of Workday accounting entries and the timing of the cash deposits,
- Obtained and reviewed Parking Policies and Procedures along with the City's Administration Regulation for Cash Receipts Procedures,
- Interviewed appropriate personnel from POD to gain an understanding of the staff duties and documented the process of parking window and metered cash collections,
- Reviewed supporting documentation for indications of supervisory approval, and
- Traced cash deposits to bank statements.

Audit Criteria

- City of Sarasota Administrative Regulations and Municipal Codes
- Government Auditing Standards (GAO) "General Standards for Preparing Accounting Records and Financial Standards"
- Parking Policies and Procedures

Audit Observations and Testing

For **objective one**, we determined that controls were generally in compliance and operating as intended for safeguarding cash collections with opportunities for improvements.

Observations and Recommendations – Cash Collection

Cash collections - Observations indicated cash handling policies and procedures were generally in accordance with City of Sarasota Administrative Regulation No.037.A002.0817.

Cash register – The key to the cash register is left in a drawer above the register when staff is away from the workstation.

Cameras - Cameras are installed in parking garages, but they are currently not operational. Repairing or replacing the current non-functional cameras would strengthen and enhance existing controls over security, handling, and safeguarding of cash.

Internal Audit Recommends

- Cash register keys should remain in the possession of authorized staff or be secured in a locked safe whenever staff are away from their workstations.
- Enhance oversight of garage operations by repairing or replacing surveillance cameras to ensure continuous monitoring of vehicle entry and exit. Cameras should also capture all customer payment activities, including transaction processing and cash handling procedures.

Management Response

- Keys to the cash registers will be retained by staff or stored in a secure, locked location when staff are not present at their workstations. This adjustment was made immediately when addressed with Parking Department management.
- The Parking Department is actively collaborating with the City's IT Department and the current camera vendor to restore full connectivity to the existing surveillance system. Additionally, License Plate Recognition (LPR) cameras will be installed to record vehicle ingress and egress, thereby supporting visual documentation of customer payment activities. The Revenue Collection Specialist will be relocated to a workstation that is fully covered by surveillance to ensure comprehensive monitoring of all cash handling operations. Parking Department management has committed to resolving the camera issue by December 2025.

For **objective two**, we determined customer payment receipts controls should be improved to ensure proper reconciliation, reporting, and monitoring processes are in place and functioning properly to identify errors, as detailed below.

Observations and Recommendations – Reconciling, Reporting, and Monitoring

Reconciling and Reporting - Reconciliations of funds received to vendor reports are available for citations (DataTicket), meters/pay stations, and garages (Cale/Flowbird); however, permits are recorded on a spreadsheet without controls to track changes. Testing determined that supporting documentation was present in all Ad Hoc Bank Transaction (AHBT) tested in Workday; however, the documentation from the POD parking window was not always sufficient. For 28 of the 183 AHBTs tested, the auditor was unable to determine if amounts recorded and deposited agreed to actual amounts received for lack of sufficient documentation; however, there was always some form of documentation, as is required in Workday. After the beginning of fiscal year 2024-2025, documentation improved for the recording of AHBTs in Workday.

Reconciliation between the POD's revenue documentation and the AHBT posting in Workday is not currently being performed. Areas identified during the audit that could have been corrected with reconciliation between the POD consolidation spreadsheets and Workday were:

- **Late Reconciliation & Deposits** - Deposits included in the audit testing were not always made in a timely manner. Timely deposits ensure funds are safeguarded. For 90 of the 183 AHBTs tested were entered into Workday more than three days after the transaction and 5 of the late transactions were cash deposits that occurred more than 1 day after the transaction.

Monitoring – Supervisor and management review are required in Workday, so each AHBT included two levels of review prior to going to Financial Administration for final review.

Internal Audit Recommends

- All AHBTs should be entered into Workday within three business days of the transaction date, accounting for weekends. Cash deposits should be made on the same day the transaction occurs or, at the latest, the following business day, using the designated onsite bank safes.
- Daily cash receipt records must include the following:
 - A reconciliation cover sheet
 - Supporting documentation from relevant software or permitting spreadsheets
 - The corresponding bank deposit receipt

In cases where documentation is missing or amounts do not match printed records, a written explanation must be provided detailing the cause of the discrepancy. All errors should be promptly reported to management, tracked, and analyzed to determine whether issues stem from vendor software malfunctions. This process is essential to maintaining effective internal controls over cash receipting. Additionally, the Parking Operations Division (POD) should regularly review and reconcile Workday entries to ensure consistency between recorded revenue and actual receipts.

Management Response

- Parking staff will ensure that AHBTs are entered into Workday within the prescribed three-day timeframe, inclusive of weekends. The recent implementation of the Passport software and its integration with Workday is expected to streamline this process significantly. Staff have been instructed to deposit cash on the same day it is received, and supervisors will actively monitor compliance with this requirement. This adjustment was made immediately when addressed with Parking Department management.
- Parking management has reinforced with staff the importance of maintaining complete and accurate backup documentation for daily cash receipts. Staff have confirmed adherence to these standards and will continue to provide written explanations for any discrepancies or missing documentation. Furthermore, Parking management will conduct ongoing reviews of Workday entries to ensure proper reconciliation between actual revenue collected and amounts recorded. Parking Department management has committed to resolving the support and reconciliation issue by October 2025.

Audit Conclusions

The issues identified above can largely be addressed through enhanced supporting documentation and the restoration of garage surveillance systems. While existing controls for safeguarding cash collections appear to be generally adequate, the implementation of the recommended measures would significantly enhance the accuracy and reliability of recording, monitoring, and reconciliation processes. At present, deficiencies in reconciliation, reporting, and oversight may hinder the timely detection of missing revenue or other discrepancies. To strengthen internal controls and mitigate risks associated with the cash receipting process, we recommend that management prioritize the adoption of the outlined recommendations.

We would like to thank the Parking Operations Division for providing their time and assistance during this audit.