



777 East Wisconsin Avenue
Milwaukee, WI 53202

May 31, 2002

The Honorable Members of the Common Council
of the City of Milwaukee
200 East Wells Street
Milwaukee, Wisconsin 53202

We have completed our analysis of the sale of night parking permits process. The purpose of this analysis was to understand the process and related internal controls over the process, as well as to document any internal control weaknesses and recommendation for improvement.

Background

Department of Public Works is responsible for the printing of the night parking permits and the collection of the money received from the sale of the permits. The Department of Public Works also manages a contract with Professional Account Management (PAM). PAM is responsible for entering the night parking permit applications into a database. The Police Department is responsible for the sale and administration of the night parking permits. The money received from the sale of the permits is deposited into the Parking Fund, maintained by the City of Milwaukee. Currently, the sale of the night parking permits only takes place at the police districts. The City would like to explore other locations for the sale of night parking permits to provide greater convenience to City residents. Due to possible future expansion in location for the sale of night parking permits, the Office of the Comptroller requested this review.

Conclusion

Based upon the procedures performed, we have the following observations and recommended improvements:

1. Applicant Signature on Night Parking Permit Application

Observation:

We reviewed the City Ordinance (Traffic Code 101-27). The following is an excerpt from the Ordinance, sub. 5-a:

APPLICATION AND PERMIT

Application Listing. The application listing shall contain the name and address of the owner of the vehicle, the license number, the expiration date of the permit applied for and the owner's signature which shall certify that the owner lives in the city of Milwaukee and is unable to find reasonable accommodations and that the vehicle does not violate subs. 2-b and 4.

According to the above paragraph, the applicant's signature is required to be obtained. However, during our procedures, we noted that the application forms currently being used by the Police Department do not contain a line for the applicant's signature.





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Recommendation:

We recommend that a new application form be developed according to the standards outlined in the City Ordinance to include the applicant's signature.

2. Official Policy and Procedures

Observation:

We noted during the course of our procedures that there are no official policies and procedures issued by the City of Milwaukee governing the processing of night parking permits. Each district does have its own procedures that appear to be relatively similar to the other districts.

Recommendation:

We recommend that an official set of policies and procedures be documented by the City Police Department and Department of Public Works and dispersed to all districts in order to ensure effective and efficient procedures are in place to govern the processing of night parking permits.

3. Missing, Void, and Damaged Permits

Observation:

We noted during our procedures that not all missing or void permits were properly identified and explained. For example, if a district started the day with permit number 15000 and ended the day with 15100, it should have sold 101 permits. If it has actually sold only 99 permits, then 2 are missing. In some cases, the districts would take note of why the permits were missing and document the reason on the PD-5 (the PD-5 asks for the permit numbers that are missing or void, but does not specifically call for the reason why). However, we noted that a majority of the time, the districts did not inform the City of why there were permits missing or void. In order for the reconciliation of night parking permits to be complete, it is necessary to document the reason for all missing and/or void permits.

Recommendation:

We recommend that the PD-5 form ask for documentation of the reason the permit is missing or void. This will increase the effectiveness of the City's reconciliation process. It is also our recommendation that this reconciliation be performed on a monthly, not quarterly, basis in order to provide more timely identification of any discrepancies. In order to effectively implement this recommendation, there will need to be increased oversight/management review at the districts to ensure that the PD-5 forms are complete and incorporate the reasons for missing or voided permits as well as submitted for reconciliation in a timely manner.



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4. Professional Account Management (PAM) Database

Observation:

In early October 2001, PAM implemented a new database to track all night parking permit applications. Before the implementation of this database, certain districts stored the applications on site, while others had sent them to PAM. Subsequent to the implementation of this database, districts began sending the applications for permits sold to PAM for tracking in the database. While some districts have been sending the applications to PAM on a frequent basis, other districts have been very slow in sending the applications (some have been received several months after the fact). If the permits are not entered into the database in a timely manner, the database cannot be relied upon for enforcement or adjudication purposes. Under contract, PAM is required to enter the information into the database within 48 hours of receipt from the districts.

Recommendation:

We recommend that all applications for permits sold be sent to PAM to ensure there is an application for each permit sold. It is our understanding that there is a drop-box set up for the districts to place the completed permit applications. We recommend that the districts place completed permit applications in the drop-box on a daily basis. This will require the districts to establish procedures to ensure daily delivery of all completed night parking permit applications. We also note that the physical application can be used as a reconciling tool to ensure that the number of permits sold equals the number of applications received. If the number of permits is not the same, an investigation should be performed to identify the reasons for any discrepancies. It is our understanding that this type of reconciliation is currently not being performed. We recommend that this reconciliation of the number of permits sold to applications sent to PAM be performed on a monthly basis. To aid in this reconciliation, PAM can provide the Police Department with information regarding the number of applications received from the districts on a monthly basis.

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This report is intended solely for the information and use of the Common Council and management of the City of Milwaukee and should not be used by others. Please contact me if you have any questions or need additional information.

Very truly yours,

KPMG LLP

Steven L. Pawlow
Partner