



U.S. GOVERNMENT PRINTING OFFICE
OFFICE OF INSPECTOR GENERAL

**AUDIT REPORT
12-14**

**GPO Parking Program
Opportunities Exist to Further Strengthen Controls**

July 25, 2012

Date

July 25, 2012

To

Director of Security Services
Chief Financial Officer

From

Inspector General

Subject

Audit Report - GPO Parking Program: Opportunities Exist to Further Strengthen Controls
Report Number 12-14

Enclosed please find the subject final report. Please refer to the "Results in Brief" for the overall audit results. Our evaluation of your response has been incorporated into the body of the report. The draft report contained individual names to assist management in its response. Those names have been redacted from this final report. We consider management's comments responsive to all of the recommendations. Recommendation 5 is closed upon issuance of this report. Recommendations 1 through 4 are resolved and will remain open pending our verification of the completion of the agreed upon corrective actions.

We appreciate the courtesies extended to the audit staff. If you have any questions or comments about this report, please do not hesitate to contact me at (202) 512-0039.



Michael A. Raponi
Inspector General

Enclosure

cc:

Acting Public Printer
Assistant Public Printer, Operations
General Counsel

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Office of Inspector General

Report Number 12-14

July 25, 2012

GPO Parking Program Opportunities Exist to Further Strengthen Controls

Introduction

The Office of Inspector General (OIG) initiated an audit of GPO's Employee Parking Program in response to a request from the Acting Public Printer.

Since 1993, GPO leased one of its six parking lots on H Street near the corner of New Jersey Avenue in Washington D.C. In January 2012, a local real estate developer began to transform that parking lot into a multi-purpose complex. As a result, GPO had to vacate the parking lot and make other arrangements for its employees. During that process, GPO re-issued parking permits to select parking program participants to reflect the change. While reissuing parking permits, the Office of Finance and Administration discovered that 18¹ employees participating in the parking program did not have a corresponding allotment to withhold the required parking fee from their paycheck.

Concerned with the integrity of Parking Program as a whole, the Acting Public Printer asked the OIG to determine whether controls were in place to ensure that employees were following parking policies and only authorized employees were parking in GPO parking facilities.

The Parking Program was initiated at the direction of the Joint Committee on Printing which authorized GPO to direct and maintain a parking program to accommodate the parking needs of the 24-hour personnel duty shifts at GPO Headquarters. Until February 2012, the Parking Program was administered by the Office of Finance and Administration when it was then moved to the Office of the Director of Security Services. To participate in the parking program, GPO employees complete an *Application for Parking* (GPO Form 2881A-C) and a *Request and Authorization for Allotment of Compensation for Pay Parking* (GPO Form 1878). The parking application identifies the car, employee work-shift, parking lot assigned and certifies that the employee will comply with GPO parking regulations. In FY 2012, the signed allotment allows GPO to withhold \$45 in pre-tax dollars from an employee's paycheck each pay period. Previously, the allotment was \$26 each pay period.

¹ Subsequent to the issuance of our draft report, a 19th employee was discovered as participating in the parking program but not paying.

The Director of Security Services is responsible for program administration, to include enrolling participants and ensuring eligibility, cross checking participants with the Transit Subsidy Program and carpool participants, establishing and monitoring procedures for distributing parking permits, and evaluating the effectiveness of the program. As of April 2012, GPO maintained six parking lots around the vicinity of GPO's Washington, DC Headquarters to accommodate 824 vehicles registered in the GPO parking program.

This audit was conducted to answer the following question: "Do opportunities exist to enhance controls over the Parking Program and provide assurance that only authorized employees are parking at GPO parking facilities?"

The audit fieldwork was conducted between February 2012 and April 2012. To achieve our objective, we reviewed and discussed with officials, Parking Program policies and procedures in place from Fiscal Year (FY) 2007, to April 2012. This period was judgmentally selected. We also (1) conducted a walk-through of the process, (2) performed an inventory and accounting of parking permits, (3) reconciled issued parking permits with parking agreements and payment allotments, and (4) conducted several inspections of the GPO parking lots. For this audit, we tested those control activities that we considered to be key in creating a system that prevents and detects fraudulent, improper, abusive, and wasteful activity in the parking program. Those key controls activities include reconciliation of the parking fees received and the parking permits issued and standard operating procedures. We also tested program monitoring.

Until February 2012, the Parking Program was administered by the Office of Finance and Administration when it was then moved to the Office of the Director of Security Services. Therefore, with the exception of our review of temporary permit receipts, the Office of Finance and Administration was responsible for program administration during the scope of our review.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards 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 objective. Our objective, scope, methodology, and criteria are detailed in Appendix A

Results in Brief

In an effort to strengthen and maintain effective internal controls over the Parking Program, GPO Directive 850.1G, *GPO Parking Directive and Administration*, was revised on February 23, 2012. GPO also moved the Parking Program from the Office of Finance and Administration to the Office of the Director of Security Services

to better align duties and responsibilities with related activities such as their mission to control building access. We commend GPO for those efforts.

Even with those enhancements, we identified opportunities to further strengthen controls over the Parking Program. For example, our audit substantiated concerns that some employees were not adhering to the program directive. In fact, 19 employees did not pay for parking while using GPO parking facilities, on average for over four years, and in one case for seven years. Those employees told us they mistakenly believed parking fees were being deducted from their bi-weekly earnings and that they did not review their Earning and Leave Statements to confirm that parking fees were properly deducted. Those employees failed to pay parking fees totaling \$54,230.

We noted 794 of 3,656 (22 percent) permits could not be accounted for since GPO acquired them in FY 2006. The Manager, Cash Management Services told us that she believed many of the unaccounted for permits result from employees in the parking program who separate from GPO without notifying the Agency and leave without turning in their permit. This poses an increased security risk of possible unauthorized access to GPO parking facilities.

We identified 115 permits that were not properly secured. The permits were located in a locked cabinet in the Parking Program Administrator's office instead of the Manager, Cash Management Services locked office where 1,457 were kept. Those 115 permits were not inventoried and there was no record of whose possession they were in.

Nearly 47 percent of the parking program records we tested were inaccurate or incomplete. Specifically, we tested a random sample of 60 parking permit records and found 12 permit records were identified as issued but with no record of issuance by either a parking application or allotment form, 8 permits were destroyed without a record of destruction, 1 permit was reported lost but we could not find an associated police report, and there were not any records for 7 permits.

We observed permits were not always displayed on all parked vehicles. On March 8th, 15th, and 29th, we identified 10 parked vehicles without parking permits. We traced four vehicles to non-GPO employees and could not determine vehicle ownership for three vehicles. This issue may raise security concerns as well as the possible loss of parking fees.

We could not audit temporary permit receipts because all associated documents were shredded when the Parking Program was transferred to the Office of Security Services.

We attribute these weaknesses with two key components of the internal control system: control activities and monitoring. Internal control weaknesses in agency programs expose GPO to fraudulent, improper, and abusive loss of assets. We noted

control activities such as reconciliations were not performed between parking fees received and parking permits issued and documented standard operating procedures were not developed and maintained. We also noted monitoring or internal evaluations were not performed.

As a result, we found numerous examples of misuse within the Parking Program and the potential loss of parking program fees. Our work was not designed to identify all instances of fraudulent, improper, and abusive activity or estimate the full extent. Therefore, we did not determine and make no representations regarding the overall extent of fraudulent, improper, and abusive transactions in the GPO Parking Program.

Recommendations

In general, we recommended that the Director of Security Services and the Chief Financial Officer continue to work towards the goal of developing and maintaining a parking program in compliance with GPO policies by strengthening key controls such as: (1) reconciling parking fees received with parking permits issued, (2) develop and document standard operating procedures, (3) monitor and conduct internal evaluations of the Parking Program, and (4) collect the \$54,230 in unpaid parking fees.

Management's Response

Management concurred with all of the recommendations. GPO has developed standard operating procedures, is planning a reissue of parking permits, has redesigned permits with additional security features for better control, has implemented a review process that will monitor withholdings for all parking program participants, and has initiated collection action against those employees who have parked without paying. The complete text of management's response is in Appendix B.

Background

GPO employees can participate in the parking program, at a cost of \$45 in pre-tax dollars per pay period. That amount increased in 2012 from \$26 per pay period, due to the additional cost of procuring parking because of the expiration of a long term lease for one parking lot. In 2012, we estimate that GPO will recoup \$1 million from employee payments for parking.

As of February 16, 2012 there were 1,731 employees assigned to GPO's Metro Washington, DC location. GPO records showed that 804 were participating in the parking program, and 903 were participating in the GPO transit benefit program.² We queried a sample of employees who participated in neither program and found that 46 percent either drove or carpooled but used a non-GPO parking lot, 14 percent carpooled using the GPO lots but were not registered in the GPO parking program, 13 percent used public transportation but did not participate in the GPO transit benefit program, and 27 percent walked or bicycled to work.

For an employee to join the parking program they are required to complete an *Application for Parking* (GPO Form 2881A-C) and a *Request and Authorization for Allotment of Compensation for Pay Parking* (GPO Form 1878). The parking application identifies the car, employee work-shift, parking lot assigned and certifies that the employee will comply with GPO parking regulations. The allotment form allows GPO to withhold money from an employee's paycheck for parking using pre-tax dollars.

In addition to regular parking, GPO offers short-term and daily parking for employees not in the parking program, GPO contractors, union representatives, and GPO Credit Union and Cafeteria employees. A daily permit costs \$7 per day and payment must be made at the GPO cashier's office. The receipt is then given to either the Parking Program Administrator (day shift) or at the GPO police window (swing and night shift). Permits are either a hand filled form, a 3-part form, a paper hangtag, or a computer-generated paper form.

Over the course of the audit, GPO revised the parking regulation, issuing GPO Directive 850.1G, *GPO Parking Directive and Administration*, February 23, 2012. GPO moved the Parking Program Manager and their duties from the Office of Finance and Administration to the Office of the Director of Security Services. The responsibility for establishing procedures and controls for the receipt and accountability of money received remained with the Manager, Cash Management Services under the Office of Finance and Administration.

² GPO, through Directive 450.3A, *Transit Benefit Program*, July 11, 2005, implemented the Transit Benefit Program to encourage employees to use mass transportation by assisting employees with their commuting expenses.

Results and Recommendations

Our audit identified control weaknesses that increased the risk for abuse in the Parking Program. Those weaknesses resulted in:

- Nineteen employees abusing the Parking Program by not paying \$54,230 in parking fees while using GPO parking facilities, ,
- 794 of 3,656 (22 percent) permits that could not be accounted for,
- 115 permits not properly secured,
- 47 percent of the parking program records tested being inaccurate or incomplete,
- Permits not always being displayed on all parked vehicles, and
- Temporary permit receipts and associated documentation being shredded.

This occurred because standard operating procedures for administering the parking program were not developed and maintained. Reconciliations were not performed between parking fees received and parking permits issued. We also noted monitoring or internal evaluations were not performed.

As a result, we believe there is an increased risk that fraudulent, improper, or other abusive activity could occur without detection. In this instance, we noted that 19 employees had been parking on GPO parking lots since 2008 without paying parking fees, and 10 unidentified vehicles parked on GPO parking lots.

Parking Program Policies and Procedures

GPO Directive 850.1G states that the GPO Parking Administrator is responsible for administering the Parking Program and the Manager, Cash Management Services establishes procedures and controls for the receipt, accountability, and recording of money received for parking payments.

Office of Management and Budget (OMB) Circular Number A-123 *Management's Responsibility for Internal Control*³ requires that management controls must provide reasonable assurance that assets are safeguarded against waste, loss, unauthorized use, and misappropriation. Management controls developed for agency programs should be logical, applicable, reasonably complete, and effective and efficient in accomplishing management objectives. Following those guidelines, specific controls applicable to the GPO Parking Program could include:

- Reconciliation between parking permits issued and parking fees received.

³ Although, as a legislative branch agency, GPO is not required to follow any OMB circulars, including Circular Number A-123, the Circular provides a sound basis for internal controls for any organization. GPO has incorporated the major requirements of Circular A-123 in its Directive 825.18A, "Internal Control Program".

- Accountability over all permits acquired, issued and unissued.
- Adequate physical security over unissued parking permits.
- Complete records of all parking fees and permits acquired, issued, returned and destroyed.
- Documented standard operating procedures.
- Periodic program review and recertification.

Reconciliation of Permits to Payments will Strengthen Program Integrity. The Manager, Cash Management Services told us that prior to the second pay period of calendar year 2012, reconciliations to verify that everyone in the parking program paid the required fees through salary allotments were not performed.

The Manager, Cash Management Services told us that GPO now receives the listing of payments directly from its payroll service provider—the U.S. Department of Agriculture’s National Finance Center, and intends to review the report quarterly against Parking Program participants.

Without a routine reconciliation, it is difficult to identify employees participating in the Parking Program that are not paying parking fees. As demonstrated by Office of Finance and Administration when they performed this reconciliation they identified 19 employees who had been participating in the Parking Program, in some instances since 2008, without paying parking fees of \$54,230 (see Appendix D).

Unaccounted-for Parking Permits. Parking Program officials could not account for 794 (22 percent) of its parking permits purchased since 2006 as shown in Table 1 below.

Table 1. Accounting for Parking Permits

Total Permits Purchased		3,656
Less:		
Permits in Inventory	1,572	
Employees in parking program	824	
Lost and Destroyed permits	466	
Total Accounted for		<u>(2,862)</u>
Unaccounted-for Parking Permits		<u>794</u>

The Manager, Cash Management Services told us that she believes many of the unaccounted for permits result from employees in the parking program who separate from GPO without notifying the Agency and leave without turning in their permit . We did not validate that claim.

Proper Physical Security Needed of Parking Permits. Though not cash, at \$45/pay period times 26 pay periods, each unissued permit is worth \$1,170/year in potential revenue to GPO and therefore should be afforded the same control and security as

cash. Guidance concerning the storage of cash is set forth in the U.S. Department of the Treasury *Manual of Procedures and Instructions for Cashiers*, April 2001. That document states that Agencies should develop procedures for securing cash commensurate with the amount and specifically states that cash should not be stored in file cabinets with key locks or desk drawers. As of March 6, 2012, GPO had 1,572 unissued parking permits. Of those, 1,457 were kept in the locked office of the Manager, Cash Management Services in several nondescript boxes where the Manager and the backup to the Parking Program Administrator had access.

The remaining 115 permits were located in a locked cabinet in the Parking Program Administrator’s office, to which only the Parking Administrator had access. Those 115 permits were not inventoried and there was no record of whose possession they were in.

Complete and Accurate Information Needed for the Parking Program. Twenty eight out of 60 (47 percent) parking program records reviewed were inaccurate or incomplete. The results of our review are in Table 2 below.

Table 2. Results of Review of Parking Permit Documentation

Permit Status	Total	Documented	Exceptions	Analysis of Exceptions
Permit located in the main storage in the office of the Manager, Cash Management Services	25	25	0	
Permit Issued	17	5	12	Twelve permits were documented as issued. However, a record of issuance supported by either a parking application or allotment form did not exist.
Permit Destroyed	10	2	8	Eight destroyed permits had no record of destruction.
Permit Lost	1	0	1	Lost permit had no associated police report as required.
No Record	7	0	7	
Permits Sampled	60	32	28	

Accurate documentation of parking records provides for program integrity, ensures proper space management of GPO parking facilities, and proper accounting for revenues.

GPO Directive 850.1G and its predecessor both require drivers to update information annually, or when changes occur to the driver or car such as a change in carpool membership, a change in vehicle or license number, a change in duty hours or work shift, or whenever there is a reissue of permits (e.g. change of lots). The Parking Administrator did not adhere to this requirement as we noted that, in some instances, parking applications were over 6 years old.

We also identified inconsistencies with the records of lost or destroyed permits. The Parking Administrator reported 466 (12 percent) permits as lost or destroyed. However some of those permits were identified as lost and/or destroyed multiple times, while others were identified by us as currently in use on the parking lot, having been properly issued to a new employee. Although lost permits require a police report to be filed, the Parking Program Administrator did not always maintain those, nor did the Parking Program Administrator create a record of destruction if a permit was destroyed.

Parking Permits Not Always Displayed. We performed three separate inspections of the GPO parking lots and found 10 vehicles did not display a parking permit. We traced four of the 10 vehicles to a non-GPO employee and could not determine vehicle ownership for three vehicles. We also identified 15 vehicles that did not clearly display permits. See Table 3 below and Appendix C for the detailed results of our inspections.

Table 3. Results of Parking Lot Inspections.

Date of Inspection	Vehicles Without a Permit Displayed (1)	Vehicles With Permit Not Clearly Visible (2)
03/08/2012	2	1
03/15/2012	5	4
03/29/2012	3	10

(1) "Without a permit displayed" – the vehicle had no permit.

(2) "Permit Not Clearly Visible" – We could not view the lot number and/or the serial number on the permit, but were able to determine that the vehicle had a permit of some kind. The most typical situations were either when the permit was placed very low in the window so we could not see the serial number, or when it was put behind a handicap hangtag.

GPO Directive 850.1G paragraph 16(i) states that permits must be properly displayed on the vehicle's rearview mirror and one-day/temporary permits must be displayed on the vehicle front dashboard, driver's side and that failure to do so could result in a GPO parking ticket.

Temporary Parking Permit Records Shredded. We could not audit any aspect of the temporary parking process because all temporary permit receipts were shredded by the Office of Security Services upon moving the Parking Program to the Office of Security Services. We were told by the Office of Security Services that they wanted a new start.

Directive 850.1G allows for the issuance of temporary parking permits for one-day parking for employees not in the parking program; temporary parking for employees with disabilities or to replace lost permits, or for visitor parking. According to the Directive, the Parking Program Administrator is responsible for issuing temporary parking permits. In order to receive a temporary parking permit, a fee (\$5/day prior to February 23, 2012, \$7/day after February 23, 2012) must be paid at the GPO Disbursing Office prior to submitting the request to the Parking Program Administrator for the temporary pass.

Lost Parking Program Revenue. By implementing sound internal controls over the parking program, we estimate that GPO could collect an additional \$18,580 in parking revenue per year calculated as follows:

Table 4. Estimated Increased Annual Parking Revenue.

Enforcement of Fee Collection from all Employees in the Parking Program (1)	\$12,730
Enforcement of Parking Permit Requirement (2)	5,850
Total Additional Annual Revenue	\$18,580

(1) Calculated as the \$54,230 in unpaid parking fees divided by an average of 4.26 years of not paying (see Appendix D).

(2) Calculated as the maximum number of missing permits during any one of our parking lot inspections (5) multiplied by annual parking program revenue per participant (\$45 per pay period times 26 pay periods)

Standard Operating Procedures and Program Evaluations Should be Developed and Performed

In part, the above conditions occurred because standard operating procedures were not developed and program evaluations or monitoring were not conducted.

Procedures for the following key parking operations had not been established regarding:

- Annual recertification of information on applications and demonstrated recertification on the parking permit (such as by placing a different brightly-colored, easily identifiable sticker on the parking permit each year).
- Standardized issuance of temporary permits, preferably by electronic issuance of permits with a clear audit trail.
- Periodic monitoring of GPO parking lots for cars parking without properly displayed permits and issuing the penalties as directed by GPO Directive 850.16G.
- Methods by which documents such as parking applications will be maintained.

- How the Security Officer will audit records.
- How unissued permits in GPO's possession will be secured and tracked.
- How returned or damaged permits will be destroyed, and a record of destruction created.
- A method to coordinate with the GPO Office of Human Capital to identify employees that have separated from GPO without turning in their parking permit.

OMB Circular A-123, *Management Accountability and Control*, June 21, 1995 states that managers "must take systematic and proactive measures to develop and implement appropriate, cost-effective management controls for results-oriented management." OMB Circular A-123 also states that Agency managers should continuously monitor and improve the effectiveness of management controls associated with their programs.

Without a standard operating procedures and monitoring process in place, GPO cannot know if the Parking Program is having its intended effect.

Recommendations

We recommend the Director of Security Services:

1. Develop and implement a process to monitor the Parking Program in order to assess the quality of performance of the program and ensure that the findings of audits and other reviews are promptly resolved.
2. Develop and implement a written Standard Operating Procedure to address goals and program objectives and, in doing so, include the processing of applications, allotments, changes in status, and accounting for all permits.
3. Have all members of the parking program complete new applications and new allotment forms and reissue either new, re-designed parking permits or affix brightly-colored, easily identifiable stickers on the re-issued permits.

Management's Response

Management concurred with Recommendations 1 through 3. The GPO Chief of Physical Security has developed Standard Operating Procedures. The Standard Operating Procedures provides specific internal auditing processes and procedures, and gives step-by-step instructions for initial issuing of parking permits, canceling permits, starting and stopping allotments, the control and destruction of permits, change in status updating procedures, monitoring monetary processes, and

handling program violations. GPO is planning a reissue of parking permits for August 2012. At that time all parking participants will be required to recertify by completing new applications prior to being issued a new permit. Also, parking permits have been redesigned and additional security features added for better control. Additionally permits will be controlled by the Chief, Physical Security and secured at all times.

Evaluation of Management’s Response.

Management’s planned action is responsive to the recommendation. The recommendation is resolved but will remain open for reporting purposes pending completion of the planned permit reissuance.

We recommend the Director of Security Services and the Chief Financial Officer:

4. Work together to periodically reconcile Parking Program participants with allotments to verify the withholdings are accurate.

Management’s Response.

Concur. Both the GPO Offices of Security Services and Finance and Administration have agreed to work together and implement a regular review process that will match parking allotments against all parking program participants to ensure that all active participants are paying the required parking fees.

Evaluation of Management’s Response.

Management’s planned action is responsive to the recommendation. The recommendation is resolved but will remain open for reporting purposes pending our review and verification of the implemented process.

We recommend the Chief Financial Officer:

5. Initiate collection of the \$54,230 in unpaid parking fees.

Management’s Response.

Concur. The GPO Office of Finance and Administration’s Payroll Office initiated the collection action in Pay Period 10. Several of the employees have already paid their bills in full while others have requested a structured payment plan and are paying their bills through payroll deductions. Three employees have requested waivers and their collection actions have been held in abeyance pending the final decision on their waivers.

Evaluation of Management's Response.

We verified management's actions and the recommendation is resolved and closed upon issuance of this report.

Appendix A - Objectives, Scope, and Methodology

We performed the audit during March and April 2012 at the GPO Central Office in Washington, D.C. We conducted the audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence that will 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.

Objectives

The objectives of the audit were to determine whether GPO managers properly managed and documented the parking program.

Scope and Methodology

To meet our objectives we performed the following:

- Reviewed policies and procedures in place for administering the GPO parking program by reading applicable criteria, holding discussions with management, and conducting a walk-through of the process.
- Performed an inventory and accounting of parking permits,
- Reconciled a random sample of issued parking permits with parking agreements and payment allotments.
- Reconciled issued parking permits with payment allotments.
- Walked through GPO parking lots on three separate occasions and recorded cars without properly displayed permits.

Management Controls Reviewed

We determined that the following internal controls were relevant to our audit objective:

Program Operations – Policies and procedures the GPO management implemented to reasonably ensure that the parking program operation met GPO's objectives.

Validity and Reliability of Data – Policies and procedures that management has implemented to reasonably ensure that valid and reliable data are obtained, maintained, and fairly disclosed in reports (See Computer-Generated Data below).

Compliance with Laws and Regulations – Policies and procedures that management has implemented to reasonably ensure that resource use is consistent with laws and regulations.

Appendix A - Objectives, Scope, and Methodology

The details of our examination of management controls, the results of our examination, and noted management control deficiencies are contained in the report narrative. Implementing the recommendations in this report should improve those management control deficiencies.

Computer-generated data

We relied on computer-generated data during this audit. Specifically, we relied on lists of permits lost/destroyed and records of employees in the parking program obtained from Microsoft Access and Excel. We assessed the reliability of the data but did not test general system and application controls. In order to test reliability of lost/destroyed record and records of employees in the parking program, we analyzed data and compared it within itself; discussed entry procedures and discrepancies with the Parking Program Administrator; and compared electronic entries to available manual records. From these tests, we determined that the data was unreliable but nevertheless usable to meet our audit objectives. This occurred because the Parking Program Administrator was incorrectly entering data and entering data multiple times on different occasions.

Appendix B – Management’s Response



U.S. GOVERNMENT
PRINTING OFFICE
KEEPING AMERICA INFORMED

Memorandum

Director, Security Services
Washington, DC 20401

DATE: 20 June 2012

REPLY TO
ATTN OF: Shirley J. Garner, Chief, Physical Security

SUBJECT: Management’s Response to the Draft IG Audit Report #12-14, dated 08 May 12, Titled GPO
Parking Program

TO: Michael A. Raponi, Inspector General, Office of the Inspector General

Security Services thanks you for the opportunity to respond to the draft IG Audit Report #12-14, dated 08 May 12, titled “GPO Parking Program”.

The following response is provided for your reference and addresses the five recommendations contained in Findings A through F.

Recommendation 1:

“Develop and implement a process to monitor the Parking Program in order to assess the quality of performance of the program and ensure that the findings of audits and other reviews are promptly resolved”.

Response:

GPO Security Services concurs with this recommendation, and the Chief, Physical Security will provide oversight of the parking program to monitor and quality control processes and procedures that address the findings of this report. New procedures have been implemented in accordance with GPO Parking Directive 8501.G dated 23 February 2012, and an internal Standard Operating Procedure (SOP) has been completed for use by the Parking Manager and assistant(s) to correct issues noted in this audit. However, since the accountability of all permits is not currently possible, functions will not be 100% until the recertification of parking permits for all parking program participants.

New parking permits have been ordered, and recertification is scheduled to take place during the month of August 2012. Once recertification has been completed, all newly created processes to manage parking procedures in accordance with the GPO Parking Directive, and the findings from this audit will be enforced.

Recommendation 2:

“Develop and implement written Standard Operating procedures to address goals and program objectives and, in doing so, include the processing of applications, allotments, changes in status, and accounting or all permits”.

Appendix B – Management’s Response

Response:

Security Services has completed a very detailed SOP. This SOP provides specific internal auditing processes and procedures, and gives step-by-step instructions for initial issuing of parking permits, canceling permits, starting and stopping allotments, the control and destruction of permits, change in status updating procedures, monitoring monetary processes, and handling program violations. The National Finance Center (NFC) bi-weekly report which includes all paying parking participants and amounts paid is reviewed monthly and compared with actual parking participants enrolled in the program. Other reports reviewed for program compliance are the leave without pay report, the shift change report, the Human Capital separation report, and the metro check report. The SOP also addresses all findings in the IG Audit Report #12-14.

Recommendation 3:

“Have all members of the parking program complete new applications and new allotment forms and re-issue either new, re-designed parking permits or affix brightly-colored, easily identifiable stickers on the re-issued permits”.

Response:

This recommendation is very well received, and a massive reissue of parking permits is scheduled for August 2012. All parking participants will be required to recertify by completing new applications prior to being issued a new permit. Also, parking permits have been redesigned and additional security features added for better control. Additionally, permits will be controlled by the Chief, Physical Security and secured at all times.

Recommendation 4:

“Work together to periodically reconcile Parking Program participants with allotments to verify the withholdings are accurate”.

Response:

Security Services has implemented a monthly review process that will monitor withholdings for all parking program participants. Initial deductions, cancellations, and any unusual costs/charges showing on the NFC Listing will be verified with the parking participant and GPO Finance.

Recommendation 5:

“We recommend the Chief Financial Officer initiate collection of the \$50,332 in unpaid parking fees”.

Response:

Security Services have been informed that all employees required to pay GPO money owed, have been notified and the collection process has been initiated.

Appendix B - Management's Response

For any additional information pertaining to these response, I can be reached at 202 -512-0988.

Sincerely,



Shirley J. Garner
Chief, Physical Security

Appendix B – Management’s Response



MEMORANDUM

Draft Audit Report on Parking Program

07/19/12

SUBJECT

DATE

Chief Financial Officer

REPLY TO ATTENTION OF

Inspector General

TO

Please find attached the responses to the recommendations and findings from the Draft Audit Report on the Parking Program.

In response to Recommendation 4, we agree to work with the Director of Security Services to finalize a Standard Operating Procedure between the two organizations that will ensure that there are no gaps in the application and cancellation process.

In response to Recommendation 5, we started the collection process to collect from the employees that owed for parking, prior to the draft, based upon the directions of the Acting Public Printer.

We agree that making these changes will ensure that the Parking Program is financially solvent going forward.

Respectfully submitted,

STEVE SHEDD

Appendix B – Management’s Response

DRAFT AUDIT REPORT

Recommendation 4 of the Draft Audit Report states:

4. Work together to periodically reconcile Parking Program participants with allotments to verify the withholdings are accurate.

Response: The bi-weekly report from the National Finance Center (NFC), which shows every employee that paid their pre-tax parking allotment with the amount paid, is sent by UPS to the GPO’s Finance Office, Director of Cash Management Services. This report is copied and forwarded to the Payroll Office and the Security Office. The names on the list should be identical to those in the automated Parking Program and should be compared bi-weekly by the Parking Program Coordinator in Security. An e-mail should be sent from Security to the Director of Cash Management Services, and Chief of Payroll stating whether any issues were found.

A change in the actual application and cancellation process has also been discussed with Security. It was determined that since there are two offices involved with the process, there needs to be close coordination.

We propose to have employees fill out the parking applications and allotment forms and bring both to the Payroll Office. The Payroll Office will copy both forms and enter the allotment data into the NFC Payroll system to start the parking fees and then file the allotment copy. Only after the allotment has been entered into NFC, will the Payroll Office return the original application and the copy of the allotment form back to the Security Office, which will trigger the Parking Coordinator’s issuance of a permit to the employee. This can be accomplished by e-mail notification that the data has been entered and the allotment will start on the next pay period, which would then trigger the issuance of the permit.

When employees wish to cancel their participation in the Parking Program, they need to secure a cancellation form from the Parking Program Office and it needs to be filled-out and brought back to the Parking Program Office, along with their parking permit. The Parking Program Coordinator will make a copy of the permit and forward both the permit copy along with the cancellation form to the Payroll Office. The Payroll Specialist will enter the cancellation into the NFC Payroll system only upon receipt of both the cancellation form and the permit. A copy of the cancellation form and permit should be attached to the original application and filed.

Appendix B – Management’s Response

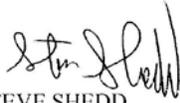
Recommendation 5 of the Draft Audit Report states:

5. Initiate collection of the \$50,332 in unpaid parking fees.

Response: The Chief Financial Officer is in agreement with the recommendation.

The Payroll Chief initiated the repayment actions in payperiod 10 to collect the fees owed from the list of names she discovered had not paid for parking. The collection action was entered into the NFC to be collected through the Administrative Billing and Collection Office (ABCO).

Several of the employees have paid their bills in full and have had their cases closed. Others have requested a structured repayment plan and are paying through payroll deduction. Three employees have requested waivers for the amount owed and their collection action has been held in abeyance pending the final decision on their waivers.



STEVE SHEDD
Chief Financial Officer

Appendix C – Results of Parking Lot Inspections

Date	Inspection Result	Lot	Employee in Parking Program
03/08/2012	Vehicle With No Permit	55	Not an Employee
03/08/2012	Vehicle With No Permit	55	Yes
03/08/2012	Permit Number Not Visible	55	Yes
03/15/2012	Permit Number Not Visible	50/3 (1)	Yes
03/15/2012	Vehicle With No Permit	50/3 (1)	Unknown
03/15/2012	Vehicle With No Permit	50/3 (1)	Yes
03/15/2012	Vehicle With No Permit	6	Unknown
03/15/2012	Permit Number Not Visible	55	Yes
03/15/2012	Permit Number Not Visible	55	Yes
03/15/2012	Permit Number Not Visible	55	Yes
03/15/2012	Vehicle With No Permit	8	Yes
03/15/2012	Vehicle With No Permit	8	Not an Employee
03/29/2012	Permit Number Not Visible	50/3 (1)	Yes
03/29/2012	Wrong Lot	50/3 (1)	Yes
03/29/2012	Vehicle With No Permit	50/3 (1)	Unknown
03/29/2012	Permit Number Not Visible	50/3 (1)	Yes
03/29/2012	Permit Number Not Visible	50/3 (1)	Yes
03/29/2012	Permit Number Not Visible	50/3 (1)	Unknown
03/29/2012	Permit Number Not Visible	7	Yes
03/29/2012	Vehicle With No Permit	6	Contractor
03/29/2012	Wrong Lot	6	Yes
03/29/2012	Vehicle With No Permit	6	No
03/29/2012	Permit Number Not Visible	6	Yes
03/29/2012	Permit Number Not Visible	55	Yes
03/29/2012	Permit Number Not Visible	55	Yes
03/29/2012	Permit Number Not Visible	55	No
03/29/2012	Permit Number Not Visible	55	Unknown

(1) The vehicle was parked on the border of Lot 50 and Lot 3.

Appendix D - Employees in Parking Program Without Allotments

Employee	Date Entered Program	Number of Pay Periods/ Years in Program Not Paying	Amount Owed	Employee Explanation
1	01-6-2004	101/3.88	\$2,626.04	Never reviewed Earnings and Leave Statement.
2	10-12-2005	164/6.3	\$4,264.00	Never reviewed Earnings and Leave Statement.
3	01-23-2008	103/3.96	\$2,678.00	Mistakenly believed allotment was coming out of his pay.
4	09-01-2004	120/4.6	\$3,120.00	Mistakenly believed allotment was coming out of her pay.
5	12-23-2009	56/2.2	\$1,456.00	Never reviewed Earnings and Leave Statement.
6	06-24-2007	150/5.75	\$3,898.00	Never reviewed Earnings and Leave Statement.
7	05-21-2001	165/6.3	\$4,290.00	Never reviewed Earnings and Leave Statement.
8	01-18-2002	131/5	\$3,406.00	Never reviewed Earnings and Leave Statement.
9	08-08-2006	131/5	\$3,406.00	Never reviewed Earnings and Leave Statement.
10	08-27-2004	16/1.33	\$416	Never reviewed Earnings and Leave Statement.
11	05-23-2001	184/7.1	\$4,784.00	Never reviewed Earnings and Leave Statement.
12	12-01-2004	120/4.6	\$3,120.00	Never reviewed Earnings and Leave Statement.
13	08-31-2004	131/5	\$3,406.00	Never reviewed Earnings and Leave Statement.
14	01-15-2009	81/3.11	\$1,919.70	Mistakenly believed allotment was coming out of her pay.
15	08-16-2006	91/3.5	\$2,366.00	Never reviewed Earnings and Leave Statement.
16	09-01-2004	53/2	\$1,378.00	Mistakenly believed allotment was coming out of her pay.
17	09-01-2004	122/4.7	\$3,172.00	Never reviewed Earnings and Leave Statement.
18	02-04-2010	53/2	\$1,378.00	Never reviewed Earnings and Leave Statement.
19	07-13-2004	121/4.7	\$3,146.00	On LWOP since 2010.
Total			\$54,230	

Appendix E - Status of Recommendations

Recommendation	Resolved	Unresolved	Open/ECD*	Closed
1	X		August 31, 2012	
2	X		August 31, 2012	
3	X		August 31, 2012	
4	X		August 31, 2012	
5				X

*Estimated Completion Date.

Appendix F - Report Distribution

Acting Public Printer
Assistant Public Printer, Operations
General Counsel

Major Contributors to the Report

Karl Allen, Lead Auditor

David Hilburg, Senior Auditor