



Office of the Auditor General / Bureau du vérificateur général

FOLLOW-UP TO THE 2008 AUDIT OF THE PARKING FUNCTION

2010

**SUIVI DE LA VÉRIFICATION DE
LA FONCTION STATIONNEMENT DE 2008**

Table of Contents

EXECUTIVE SUMMARY	i
RÉSUMÉ.....	v
1 INTRODUCTION	1
2 KEY FINDINGS OF THE ORIGINAL 2008 AUDIT	1
3 STATUS OF IMPLEMENTATION OF 2008 AUDIT RECOMMENDATIONS	6
4 SUMMARY OF THE LEVEL OF COMPLETION	27
5 CONCLUSION.....	28
6 ACKNOWLEDGEMENT.....	29

EXECUTIVE SUMMARY

Introduction

The Follow-up to the 2008 Audit of the Parking Function was included in the Auditor General's 2010 Audit Plan.

Recommendations 1, 2, 3, 6, 7, 12 and 17 that were assessed as 100% complete by the OAG in the 2009 *Interim Follow-up of the 2008 Audit of the Parking Function* were not followed up during this audit.

The key findings of the original 2008 audit included:

- There is no overall strategy to manage the entire parking operations within the City of Ottawa.
- No plan exists that encompasses all aspects of parking including zoning changes, cash-in-lieu, residential on-street permits, new areas, rate setting and on and off-street operations.
- There has not been a lead group responsible for the overarching parking function at the City to ensure an appropriate and coordinated direction.
- Management will develop a parking management strategy that is strongly aligned with the Audit. With respect to parking occupancy rates, Management agrees to undertake a comprehensive study, as part of the overall strategy.
- Several areas, some outside the responsibility of the Parking Operations Section, are not being proactively and comprehensively managed.
- The City is collecting, on average, fees based on occupancy of only 2-3 hours per weekday per parking space. Management should conduct a review of parking occupancy rates.
- No formal, standard reviews of revenues are in effect to ensure dollars collected is reasonable based on past experience.
- Meters are not tested regularly to ensure they are working.

Summary of the Level of Completion

1. The table below outlines our assessment of the level of completion of each recommendation as of December 2010.

CATEGORY	% COMPLETE	RECOMMENDATIONS	NUMBER OF RECOMMENDATIONS	PERCENTAGE OF TOTAL RECOMMENDATIONS
LITTLE OR NO ACTION	0 – 24	-	-	-
ACTION INITIATED	25 – 49	10, 11	2	11%
PARTIALLY COMPLETE	50 – 74	4, 9, 14	3	18%
SUBSTANTIALLY COMPLETE	75 – 99	5, 8, 16	3	18%
COMPLETE	100	1, 2, 3, 6, 7,12, 13, 15, 17	9	53%
TOTAL			17	100%

2. The table below outlines management’s assessment of the level of completion of each recommendation as of Winter 2011 in response to the OAG’s assessment. These assessments have not been audited.

CATEGORY	% COMPLETE	RECOMMENDATIONS	NUMBER OF RECOMMENDATIONS	PERCENTAGE OF TOTAL RECOMMENDATIONS
LITTLE OR NO ACTION	0 – 24	-	-	-
ACTION INITIATED	25 – 49	10, 11	2	11%
PARTIALLY COMPLETE	50 – 74	-	-	-
SUBSTANTIALLY COMPLETE	75 – 99	4, 5, 8, 9, 14, 16	6	36%
COMPLETE	100	1, 2, 3, 6, 7,12, 13, 15,17	9	53%
TOTAL			17	100%

Conclusion

Parking Operations is recognized as having made significant strides in addressing the recommendations of the 2008 Audit of the Parking Function. A comprehensive Municipal Parking Management Strategy has been developed and approved by Council, substantial progress has been made in building a supportive operational and performance measurement framework, and integrating parking planning has been reinforced within municipal priority policies such as the Official Plan and Transportation Master Plan.

Parking Operations specifications and current documentation identifies a series of measurements that would appear to significantly leverage Pay-and-Display technology to increase the availability of detailed and disaggregated parking revenue, maintenance and utilization information. While only fully implemented late in the summer of 2010 and not yet fully operational, system reports are expected to routinize the collection of timely and comprehensive performance and audit information. Proposed Pay-and-Display variance and compliance reports will include parking revenue and occupancy discrepancies by geographic areas. This departmental initiative is expected to enable the Department to address key 2008 Audit concerns.

At the conclusion of the follow-up audit review and interviews, it remained unclear what internal processes and staff responsibilities have been installed to analyze new data streams, to provide the necessary reporting narrative that would qualify key variances and lessons learned. Moreover it remains unclear what measures will be used to determine administrative and contractual compliance with performance standards, most notably the Pay and Display Contract Revenue Guarantee.

Limited progress is being made in addressing 2008 Audit recommendations on continuing systemic uncertainties involving the Cash-in-Lieu policy, surface lots and on-street parking. Parking Operations has not identified a comprehensive approach to this issue; relying instead on infrequent neighbourhood Local Area Parking studies.

Overall Management Response

Significant progress has been made to address the OAG's concerns with respect to unclear business processes and staff responsibilities as noted in Recommendations 4, 5 and 14.

Comprehensive business processes were being analysed at the time of the follow-up audit fieldwork, and have now been finalized and documented by KPMG. These business processes clearly identify staff roles and responsibilities related to the reporting of new data streams and are in the process of being fully implemented. A copy of this work is available for review if desired. In the interim, staff are conducting regular monthly reconciliations of revenues against cash/credit card summary reports and audit tapes from the parking payment equipment to ensure that all revenue streams are accurate and fully accounted for.

With regard to the OAG's finding that there is a lack of a comprehensive approach to evaluate surface lots and on-street parking, the implementation of the Council-approved Municipal Parking Management Strategy provides exactly that. Funding and resourcing levels allow for two Local Area Parking Studies to be undertaken each year. This represents an on-going process that is required in order to properly consider the impact of parking changes on the local parking system and to fully consult with local stakeholders.

Acknowledgement

We wish to express our appreciation for the cooperation and assistance afforded the audit team by management.

RÉSUMÉ

Introduction

Le Suivi de la vérification de la fonction stationnement de 2008 était prévu dans le Plan de vérification du vérificateur général.

Les recommandations 1, 2, 3, 6, 7, 12 et 17 qui ont été évaluées comme étant entièrement réalisées par le BVG dans le *Suivi intérimaire de 2009 de la vérification de la fonction stationnement de 2008* n'ont pas fait l'objet d'un suivi durant la présente vérification.

Les principales constatations de la vérification de 2008 sont les suivantes :

- La Ville d'Ottawa ne possède pas de stratégie globale pour ce qui concerne la gestion du stationnement.
- Il n'existe pas de plan couvrant tous les aspects du stationnement, comme les modifications au zonage, le règlement financier des exigences relatives au stationnement, les permis résidentiels de stationnement sur rue, les règles relatives aux nouveaux secteurs, l'établissement des tarifs ainsi que le stationnement sur rue et hors voirie.
- Il n'y a pas de groupe principal chargé de la supervision globale de la fonction du stationnement à la Ville, de façon à assurer une orientation appropriée et concertée.
- La gestion développera une stratégie de gestion du stationnement lié de près avec à la présente vérification. En ce qui a trait au taux d'occupations de stationnement, la gestion est d'accord d'entreprendre une étude exhaustive sur ce sujet de concert avec la stratégie générale.
- Plusieurs secteurs, dont certains échappent à la responsabilité de la Section du stationnement, ne font pas l'objet d'une gestion globale et proactive.
- La Ville ne perçoit que des frais fondés sur un taux d'occupation de 2 à 3 heures par jour en moyenne par place de stationnement. La direction devrait mener une étude du taux d'occupation de stationnement.
- Il n'y a pas d'examen officiel et normalisé des recettes permettant d'avoir l'assurance que les sommes perçues sont raisonnables, compte tenu de l'expérience antérieure.
- Les parcomètres ne font pas l'objet d'une vérification régulière destinée à obtenir l'assurance qu'ils fonctionnent.

Sommaire du degré d'achèvement

1. Le tableau ci-dessous présente notre évaluation du degré d'achèvement de chaque recommandation au mois de décembre 2010 :

CATÉGORIE	POURCENTAGE COMPLÉTÉ	RECOMMANDATIONS	NOMBRE DE RECOMMANDATIONS	POURCENTAGE DU TOTAL DES RECOMMANDATIONS
PEU OU PAS DE MESURES PRISES	0 – 24	-	-	-
ACTION AMORCÉE	25 – 49	10, 11	2	11 %
COMPLÉTÉE EN PARTIE	50 – 74	4, 9, 14	3	18 %
PRATIQUEMENT COMPLÉTÉE	75 – 99	5, 8, 16	3	18 %
COMPLÉTÉE	100	1, 2, 3, 6, 7,12, 13, 15, 17	9	53 %
TOTAL			17	100 %

2. Le tableau ci-dessous présente l'évaluation de la direction concernant le degré de réalisation de chaque recommandation à l'hiver 2011 en réponse à l'évaluation du Bureau du vérificateur général. Ces évaluations n'ont pas fait l'objet d'une vérification.

CATÉGORIE	POURCENTAGE COMPLÉTÉ	RECOMMANDATIONS	NOMBRE DE RECOMMANDATIONS	POURCENTAGE DU TOTAL DES RECOMMANDATIONS
PEU OU PAS DE MESURES PRISES	0 – 24	-	-	-
ACTION AMORCÉE	25 – 49	10, 11	2	11 %
COMPLÉTÉE EN PARTIE	50 – 74	-	-	-
PRATIQUEMENT COMPLÉTÉE	75 – 99	4, 5, 8, 9, 14, 16	6	36 %
COMPLÉTÉE	100	1, 2, 3, 6, 7,12, 13, 15, 17	9	53 %
TOTAL			17	100 %

Conclusion

On reconnaît que Stationnement a avancé à grands pas en ce qui concerne le règlement des recommandations de la Vérification de 2008 de la fonction stationnement. Une stratégie municipale générale de gestion du stationnement a été élaborée et approuvée par le Conseil, des progrès notables ont été réalisés en ce qui a trait à l'établissement d'une structure de soutien opérationnel et de mesure du rendement, et l'intégration de la planification du stationnement a été renforcée dans les politiques prioritaires de la municipalité telles que le Plan officiel et le Plan directeur des transports.

Les spécifications et la documentation actuelle de Stationnement ont dégagé une série de mesures qui semblent miser grandement sur la technologie Payez et affichez pour augmenter la disponibilité de renseignements détaillés et non regroupés liés aux recettes, à l'entretien et à l'utilisation. Bien que les rapports des systèmes n'aient été complètement mis en œuvre qu'à la fin de l'été 2010 et qu'ils ne soient pas encore entièrement fonctionnels, on s'attend à ce qu'ils rendent la collecte de renseignements opportuns et complets relativement au rendement et à la

vérification systématique. Les rapports proposés de conformité et de variance des distributrices Payez et affichez comprendront les écarts entre les recettes de stationnement et l'occupation par secteur géographique. Cette initiative du service devrait permettre au Service de répondre aux préoccupations principales de la vérification de 2008.

À la fin de l'examen et des entrevues de la vérification de suivi, il n'était toujours pas clair quels processus internes et quelles responsabilités du personnel avaient été mis en place afin d'analyser les nouveaux flux de données, de rédiger les rapports nécessaires qui qualifieraient les écarts clés et les leçons apprises. Il n'est pas clair non plus quelles mesures seront utilisées afin de déterminer la conformité administrative et contractuelle en ce qui concerne les normes de rendement, notamment la garantie des recettes contractuelles des distributrices Payez et affichez.

Des progrès limités ont été réalisés quant à la résolution des recommandations de la vérification de 2008 concernant les incertitudes systémiques relativement à politique du règlement financier des exigences de stationnement, des terrains en surface et du stationnement sur rue. Opérations du stationnement n'a pas défini d'approche générale à cette question, se fiant plutôt à des études peu fréquentes sur le stationnement local dans les quartiers.

Réponse générale de la direction

Des progrès importants ont été réalisés afin de répondre aux inquiétudes du BVG quant aux processus d'affaires et aux responsabilités flous du personnel, comme il est indiqué dans les recommandations 4, 5 et 14.

Des processus d'affaires généraux étaient analysés au moment du travail sur le terrain de la vérification de suivi; ils ont été terminés et documentés par KPMG. Ces processus, que nous sommes en train de mettre pleinement en œuvre, déterminent clairement les rôles et responsabilités du personnel quant à l'établissement de rapport concernant les nouveaux flux de données. Une copie de ce travail est disponible aux fins d'examen au besoin. En attendant, le personnel effectue régulièrement des rapprochements mensuels entre les rapports sommaires sur les recettes et l'argent comptant/les cartes de crédit et les bandes de vérification des machines de paiement des stationnements afin d'assurer que tous les flux de rentrée sont exacts et comptabilisés.

Remerciements

Nous tenons à remercier la direction pour la coopération et l'assistance accordées à l'équipe de vérification.

En ce qui a trait à la constatation du BVG indiquant qu'il manque une approche générale en vue d'évaluer les terrains de stationnement de surface et le stationnement sur rue, la mise en œuvre de la Stratégie municipale de gestion du stationnement approuvée par le Conseil en fournit une. Les niveaux de financement et de ressources permettent que deux études sur le stationnement local soient entreprises chaque année, ce qui représente un processus continu, qui est requis afin de bien examiner les répercussions des changements en matière de stationnement sur le réseau de stationnement local et pour consulter pleinement les intervenants locaux.

1 INTRODUCTION

The Follow-up to the 2008 Audit of the Parking Function was included in the Auditor General's 2010 Audit Plan.

Recommendations 1, 2, 3, 6, 7, 12 and 17 that were assessed as 100% complete by the OAG in the 2009 *Interim Follow-up of the 2008 Audit of the Parking Function* were not followed up during this audit.

The key findings of the original 2008 audit included:

- There is no overall strategy to manage the entire parking operations within the City of Ottawa.
- No plan exists that encompasses all aspects of parking including zoning changes, cash-in-lieu, residential on-street permits, new areas, rate setting and on and off-street operations.
- There has not been a lead group responsible for the overarching parking function at the City to ensure an appropriate and coordinated direction.
- Management will develop a parking management strategy that is strongly aligned with the Audit. With respect to parking occupancy rates, Management agrees to undertake a comprehensive study, as part of the overall strategy.
- Several areas, some outside the responsibility of the Parking Operations Section, are not being proactively and comprehensively managed;
- The City is collecting, on average, fees based on occupancy of only 2-3 hours per weekday per parking space. Management should conduct a review of parking occupancy rates;
- No formal, standard reviews of revenues are in effect to ensure dollars collected is reasonable based on past experience; and,
- Meters are not tested regularly to ensure they are working.

2 KEY FINDINGS OF THE ORIGINAL 2008 AUDIT

Mandate, Strategy, Accountability

1. At present, there is no well-defined Council-approved directive that provides clear guidance to the "Parking Function" within the City of Ottawa. Notwithstanding high level policy direction provided in the OP and TMP, there is not a clearly defined documented mandate or strategy specifically for the Parking Function at the City designed to ensure that all City-wide objectives affected by Parking are achieved. More specifically, there is no mandate document that covers all aspects of parking including zoning changes, cash-in-lieu, residential on-street permits, new areas, rate setting, on and off-street operations and ensures support of Official Plan, or Transportation Master Plan,

or Traffic and Parking By-law. The lack of such a document leads City Departments, in many cases, to work at cross-purposes to each other. There is a risk that the broader policy items (e.g., zoning changes required, coordination with strategic directions identified in the Official Plan, residential permits), economic/BIAs considerations and accountability issues may not be fully addressed.

2. A strategic plan for both the Planning Function and Parking Operations to achieve the strategic objectives does not exist nor is there an implementation plan for parking related initiatives. Goals to be achieved have not been identified, nor have performance measurement indicators been identified.
3. Historically, staff have not been held accountable for attainment of the Parking initiatives in the TMP; although, several initiatives have recently been started to address this oversight.
4. There is no lead group responsible for the overarching Parking Function and to ensure an appropriate, coordinated and collaborative direction for related initiatives and priorities, budgeting, strategic and operational planning. In addition, there is no unified accountability framework and supporting organizational structure to support responsibilities which overlap existing organizational groups.

Financial Management

1. In general, the financial analysis was found to be a weakness within the Parking Operations Unit. The extent of our analysis was limited due to the nature of the internal Parking Operations Unit information systems. There are many stand-alone documents or information sources but we confirmed that they are not rolled up to a report which is easy to use, explains and facilitates management of the operation. This lack of information reports hinders operations analysis, as it is difficult to isolate various expenses and revenues and the related impact of ongoing changes. While systems and reports required will change significantly if the City replaces all meters with P&D machines in the near future, whether as an in-house operation or outsourced, financial supporting systems and detailed reports will still be required.
2. Based on revenue generated, the City is collecting, on average, fees for two to three hours per weekday per parking space for both on and off-street parking operations. Notwithstanding explanations provided by Parking Operations staff for any discrepancy between revenue collected and available parking [including, reduced localized supply (i.e., hooding due to: special events, construction, vendors, etc.), people not paying at a metered space, disabled parking permits as well as maintenance issues and criminal activity on the part of the public

(e.g., meter jammers)] these paid utilization rates¹ may be low, especially given the past occupancy studies and our understanding that there is a general lack of availability of on-street metered spots in commercial areas during regular business hours². Parking staff agree that generated revenues represent about two to three hours per day of paid parking per spot. Parking Operations should conduct a review of parking occupancy rates against the revenue generated.

3. We note a very positive response to the 29 audit recommendations made in 2006. Staff have invested significant time and effort to making changes; most notably a reorganization of the Cash Collection group of Parking Operations to improve segregation of duties and the development and documentation of detailed written operational processes and procedures. However, processes for analysing, monitoring, exception reporting etc, have not been developed and so the data collected is not sufficiently used to provide direction for improvements, understanding trends and decision making.
4. There is no systematic tracking of meter activity by street, BIA or neighbourhood. There are plans to track this with the expected implementation of a new vault collection and counting system in later 2008. Although there is a record for each on-street P&D machine (located only in the market), it is not monitored. There are no standard reasonableness tests to determine whether cash collected matches norms, expectations, etc.
5. In general, there has not been widespread acceptance of the Parking Card program and revenues are recorded at the time of the card sales rather than as deferred revenue that is drawn down as the cards are used.

¹ - For purposes of this document “paid utilization rate” is defined as the effective number of hours the space is fully utilized and paid for (utilization can occur without revenue being collected) per day, typically a week day. Of note, some By-ward market spaces and various other spaces across the City that are paid parking six days a week, as well as paid Sunday parking, are in the vicinity of the Civic Hospital. We do recognize that full utilization will never be achieved given the transitional nature of the business and that not everyone parking at a parking meter will provide revenue (either legally as with a Handicapped Permit or illegally by choosing not to pay).

² Refer to 2005 Central Area Parking Study Update – page iii – “West of the Canal parking utilization has continued to increase, with the total public parking utilization in the majority of blocks approaching, or exceeding practical capacity (utilization ratio of 0.90). East of the Canal, parking utilization remains relatively unchanged with the greatest change being a slight decrease in the Friday evening utilization from 0.48 in 1999, to 0.45 in 2005. On-street parking utilization in the Central Area continues to be high, with utilization ratios exceeding practical capacity during all periods studied, reaching as high as 1.04 for Sunday afternoons (east of the Canal). Overall, the Central Area is approaching practical capacity for weekday afternoon parking utilization as a result of the increases in parking utilization west of the Canal.”

6. Some errors were found in the values used and assumptions made in the proposed changes to parking rates and times as well as the Pay and Display analyses presented to Council during the 2008 budget deliberations. These errors were largely due to the same reasons identified in other sections of this report, specifically: issues with the financial accounting structure, weak internal information systems and lack of standard reports. The poor state of good financial structures and reporting required staff to make many broad assumptions in order to offer Council financial projections on parking rate structure and management alternatives.
7. Both the knowledge and use of the financial modules of SAP by Parking Operations staff is very limited. There is a lack of skills sets for the development of information systems and reports within Parking Operations. Existing standard systems within the City do not meet the specific needs of Parking Operations. The information required to effectively and efficiently manage the operation is not readily available.
8. Parking Operations Unit information systems and reports do not provide adequate information for the management of Parking Operations or the Parking Function. While revenues for off-street parking lots are tracked and graphed, reports do not include any narrative or variance analysis to explain unexpected changes in revenue or indicate what action has been taken to investigate discrepancies or changes. On-street revenues are not tracked or graphed and there are no standard management documents that address changes or discrepancies.
9. No formal process exists to ensure reconciliation of revenue to SAP to ensure all revenues are properly recorded.
10. Uncollected routes and/or uncollected monies due to theft and/or defective meters may not be detected as no formal, standard reviews of revenues are in effect to ensure that dollars collected versus the weight of the vault is reasonable based on past experience. In addition, no formal processes to review collection sheets are in place to ensure completeness of revenue received or collected, or to follow up potential problems (e.g., incomplete sheets).

Performance (Value for Money)

1. The cash-in-lieu program is not meeting the original objectives, as defined in the 2003 TMP. Specifically, there is not a correlation between funds collected as “cash-in-lieu” and provision of additional parking nearby by City. Yet, cash-in-lieu, as defined in the 2003 TMP is “a practice permitting developers to pay a charge in lieu of constructing the minimum parking spaces required by zoning regulations, thereby financially enabling the provision of City-owned public parking facilities”. The City’s website states “Cash in Lieu of Parking fees represent the amount of money that it would cost the City if it were to provide

and operate each parking space that is exempted. The fees vary, depending on the location of the site and the type of parking associated with the proposed land use.”

2. There are no City and/or municipal objective criteria for determining whether meters should be installed or removed from specific locations. Therefore, it is not possible to determine whether there is compliance.
3. There are no City and/or municipal objective criteria for determining how, when and why parking rates should be adjusted. Therefore, it is not possible to determine whether there is compliance. This issue has been identified for the (ongoing) Parking Management Strategy.
4. City Parking staff have not historically worked closely with BIAs and other community groups; instead City planning staff, have developed closer ties to BIA groups most recently with Neighbourhood Planning Initiatives (NPI) and Community Design Plans (CDP). This is largely due to the nature of repeated interaction and involvement with BIAs on Planning decisions and activities and has resulted in a more developed/mature relationship between Planning staff and BIAs than Parking and BIAs. This is natural and not meant as a criticism but reflects the need to build relationships and trust which may be easier achieved through Planning contacts.
5. Again, the lack of a clear Parking Function specific mandate, with supporting policies and procedures, measurable objectives and assigned accountability have resulted in:
 - Inconsistent application of “parking rules and decisions” – zoning, cash-in-lieu, on-street meters, off-street lots, rates, hours, tour buses;
 - Increased time and involvement of Councillors to liaise with BIAs and other interested parties;
 - Council expressed concerns over the accuracy, relevancy, comprehensiveness and completeness of parking related matters presented to them and concerns over the lack of action towards achieving items identified in the 2003 TMP; and,
 - Ineffective, inefficient use of staff and Councillor resources where topics continue to be revisited rather than having a firm direction.

Planning

1. No comprehensive annual operational plans exist for the Parking Function or the Parking Operations group.
2. Parking equipment maintenance is not treated proactively enough. Current Parking meters are vulnerable to malfunctions, vandalism and theft (rigged coin dams) despite an average annual labour cost of \$100 per meter for maintenance and repairs. Management has indicated that the actual cost per meter through

SAP was \$59.75 in 2007. Parking meters rely on AA batteries, which are vulnerable especially in cold weather when battery life is reduced. In addition, the City's P&D and POF equipment is old and outdated with frequent breakdowns and high staff costs associated with frequent maintenance calls. The reactive approach to meter maintenance can leave meters out of order for extended periods of time as the malfunction is not always apparent to the meter collectors. This can result in both a loss of considerable revenue to the City and an increase in parking ticket reversals (at present, a time consuming and expensive process), as well as frustration of the public when meters do not work, and they receive a ticket.

3. Parking meters are not tested regularly to ensure they are working. Meter repairs are driven largely by complaints from the public. Typically complaints are received after citizens receive a ticket while parked at a defective meter. Malfunctioning meters can go undetected for an extended period of time.
4. Annual cost of meter repairs exceeds \$400,000 for labour costs alone (average of \$100/meter). Management has indicated that the actual cost per meter through SAP was \$59.75 in 2007.

Human Resources

Absenteeism and grievances are low. Overtime is reasonable, and largely due to on-call staff being called in to service the five market POF machines at the two market garages late at night. Staff levels are reasonable. One key position is being kept vacant; staff have managed to compensate and cover the related responsibilities adequately.

Compliance

Procedures for Parking Operations staff are well-documented and communicated to staff. Procedures are in place to facilitate repairs of parking equipment in a timely manner and within the one working day standard for meters and immediately for P&D and POF. However, most procedures are on a reactive, not proactive, basis. Our review of municipal and industry best practices confirmed a well-supported industry supported by public and private interests involved in parking supply and management. No specialized best-practice policies or procedures were evident, although various suppliers and support industries are available to support parking operations generally.

3 STATUS OF IMPLEMENTATION OF 2008 AUDIT RECOMMENDATIONS

2008 Recommendation 1

(Assessed as 100% complete in the 2009 Interim Follow-up to the 2008 Audit of the Parking Function.)

That the City ensure that responsibilities, accountabilities and coordination of all aspects of the Parking Function, including planning related matters (zoning requirements, cash-in-lieu) development matters (new and existing locations/requirements of on and off-street parking including residential on-street parking) and operational requirements (collections, rate setting, enforcement) be clearly assigned in a manner which ensures a comprehensive and coordinated approach to the Parking Function.

2008 Management Response

Management agrees with this recommendation.

Presently, the Planning branch manages the Official Plan, Transportation Master Plan, and Comprehensive Zoning By-law. These documents take into account broad land use issues and serve to set the context and the high-level objectives for the Parking Program.

At its meeting of 13 February 2008, City Council gave the following direction:

“That staff be directed to develop a new city-wide, comprehensive, consolidated parking policy in conjunction with the principles articulated in the Parking Management Strategy and the Transportation Master Plan; and that the policy include parking needs in the zoning by-law, a review of the financial costs to the City of storing cars on city streets versus storing cars on private lots; and

That the study examines on-street parking rates:

- *That vary according to geography; and,*
- *That vary according to time (time of day, day of the week).*

Also, that the terms of reference for this study/review be brought to Transportation Committee for its review and approval prior to being undertaken.”

The Transportation Committee approved the Terms of Reference for the Parking Management Strategy on June 18, 2008 and work is currently underway.

The Parking Management Strategy will be set within the context of the Official Plan and Transportation Master Plan policies and objectives and will outline a framework that will clearly identify responsibilities and accountabilities to ensure a comprehensive and coordinated approach to the parking function. The Parking Management Strategy is scheduled to be presented to Council in Q2 2009.

OAG Assessment of the Status of Implementation of Recommendation 1 as of September 15, 2009 (2009 Interim Follow-up of the 2008 Audit of the Parking Function)

OAG: % complete

100%

2008 Recommendation 2

(Assessed as 100% complete in the 2009 Interim Follow-up to the 2008 Audit of the Parking Function.)

- a) That the City ensure that the Parking Management Strategy and related documents currently underway be modified to clearly distinguish between strategic versus operational policies, initiatives and directives.
- b) That Council approve an expanded scope of the PMS to ensure that all aspects of the “Parking Function” are included in the strategy. Accountabilities, objectives, goals, performance indicators and implementation plans for these items should be clearly stated and progress tracked in supporting documents.

2008 Management Response

Management agrees with these recommendations.

The Parking Management Strategy will distinguish between strategic versus operational policies, initiatives and directives. It will also address all aspects of the parking function and will identify how parking relates to the different areas that the Planning branch is responsible for such as the Official Plan, Transportation Master Plan, Zoning By-Law, Cash-In-Lieu, etc. Further, it will ensure that there are key accountabilities, objectives and performance indicators that can be tracked and published in regular status reports.

The Parking Management Strategy is scheduled to be presented to Council in Q2 2009. Work will be done in the development of this strategy to ensure that these recommendations are reflected in supporting documents.

OAG Assessment of the Status of Implementation of Recommendation 2 as of September 15, 2009 (2009 Interim Follow-up of the 2008 Audit of the Parking Function)

OAG: % complete

100%

2008 Recommendation 3

(Assessed as 100% complete in the 2009 Interim Follow-up to the 2008 Audit of the Parking Function.)

That the City ensure that the Parking Management Strategy and its related implementation be developed with the goal of achieving the strategic objectives identified in the Official Plan and Transportation Master Plan as well as being compatible with the Economic Development initiatives (which reside in the Planning, Transit and Environment Department). These policies and decisions should be considered during Neighbourhood Planning Initiatives (NPI), Community Design Plans (CDP), and in routine consultations with BIAs.

2008 Management Response

Management agrees with this recommendation.

The Parking Management Strategy is being developed to ensure that strategic objectives in the Official Plan and the Transportation Master Plan are reflected. These objectives will, in-turn, be reflected in Neighbourhood and Community Design Plans, which are developed using these overriding documents for direction and guidance.

The Parking Management Strategy will be presented to Council for approval in Q2 2009.

OAG Assessment of the Status of Implementation of Recommendation 3 as of September 15, 2009 (2009 Interim Follow-up of the 2008 Audit of the Parking Function)

OAG: % complete

100%

2008 Recommendation 4

That Traffic and Parking Operations Branch develop a monthly Parking Operations Unit standard report which highlights revenue from all sources (off-street facilities by lot, on-street by P&D and meters preferably by major neighbourhood), for month, year-to-date actual, and budget. This must be supported by detailed narrative to address variances, issues, lessons learned, etc., and distributed to the director level for review and approval. The data source should either be SAP or a document, which is reconciled routinely to SAP.

2008 Management Response

Management agrees with this recommendation.

Staff are currently preparing a series of reports that reflect revenues from all sources. Once finalized, this information will be provided to senior management on a monthly basis. These reports require coordination between several sources and will be established by Q2 2009.

New reporting will supplement and improve upon the information that is currently being prepared. Staff currently prepare a series of reports that reflect all on-street revenues collected by day and by zone as well as all revenues and expenses for off-street parking facilities. In addition, staff training is underway which will enable staff to undertake financial analysis and reconciliation to the extent that is identified in the Auditor's report.

Further, realty taxes and Lot 6 third party service provider costs have been adjusted for 2008 and future budgets in response to issues identified in the report.

Management Representation of the Status of Implementation of Recommendation 4 as of September 30, 2010

The specifications documentation has been completed along with an example of the report layout and is being reviewed by SAP support staff. Development of the report has been included in the December SAP sustainment release. Management expects implementation of this recommendation to be complete by the end of Q4 2010.

Management: % complete

50%

OAG's Follow-up Audit Findings regarding Recommendation 4

Parking Operations specifications documentation identifies a series of financial reports as part of the Parking Operations Systems Agreement with the parking services contractor, Precise. While not yet fully operational (as implementation was only completed in September 2010), the reports indicate collection of timely and comprehensive information by revenue sources (cash, credit card, etc.) and by geographic area(s) of the City. Proposed variance and compliance reviews will report parking revenue and occupancy discrepancies. Key POSDA-performance data – maintenance response, customer satisfaction, security response and PPM installation – are to be gathered for SAP verification and reconciliation.

Further, the tracking and reporting of revenue and utilization rates are expected to be carried out on a regular basis with the ongoing installation of P&D machines. At the time of the follow-up audit, Parking Operations management estimated that P&D machines installation was 98 percent complete.

However, it is less clear what internal processes and staff responsibilities have been put in place to analyze and integrate the large quantity of new data streams, and to provide the necessary reporting narrative that would qualify key variances, lessons learned, etc.

OAG: % complete

50%

Management Representation of Status of Implementation of Recommendation 4 as of Winter 2011

Management agrees with the OAG's follow-up audit, however further progress has been made.

Comprehensive business processes were being analysed at the time of the follow-up audit fieldwork, and have now been finalized and documented by KPMG. These business processes clearly identify staff roles and responsibilities related to the reporting of new data streams and are in the process of being fully implemented.

In the interim, staff are conducting regular monthly reconciliations of revenues against cash/credit card summary reports and audit tapes from the parking payment equipment to ensure that all revenue streams are accurate and fully accounted for.

The specifications documentation has been completed along with an example of the report layout and is being reviewed by SAP support staff. The building of the report was more complex than originally anticipated, which made the December 2010 timeline unachievable. The report has now been included in the Q2 2011 SAP sustainment release. Management expects implementation of this recommendation to be complete by the end of Q2 2011.

Comparison reports from the Pay and Display Central Management System (CMS) will be utilized in conjunction with the SAP reports and the monthly revenue reporting requirement will be satisfied by a combination of these reports.

Management considers implementation of this recommendation to be substantially complete.

Management: % complete *75%*

2008 Recommendation 5

That Traffic and Parking Operations Branch ensure that Parking Operations Unit begin tracking paid utilization rates and explain variances in a monthly report.

2008 Management Response

Management agrees with this recommendation.

Currently, staff selectively track utilization rates as part of the ongoing management and monitoring of our parking systems. With the implementation of Pay and Display machines, tracking of revenue and utilization rates will be carried out on a regular basis and monthly reports will be generated.

The Pay and Display procurement process will require Council approval in order to proceed. A report seeking this approval will be presented to Council in Q2 2009 with expected implementation in Q1 2010 if approved.

Management Representation of the Status of Implementation of Recommendation 5 as of September 30, 2010

Implementation of Pay and Display technology began in June 2010 and is currently on-going. It is expected that all Pay and Display machines will be installed and the system will be fully operational by the end of October 2010. Corresponding reports relating to paid utilization rates are being developed and will be generated upon full implementation of the system.

Management: % complete *90%*

OAG's Follow-up Audit Findings regarding Recommendation 5

The ongoing implementation of P&D machines – estimated by Parking Operations management to be 98 percent completed – is expected to generate comprehensive, city-wide reporting of parking revenue and occupancy discrepancies. Parking Operations staff and Procurement staff explained the process followed to develop detailed procurement specifications to ensure that revenue data acquisition would be paired with coding from individual P&D machines to facilitate usage analyse and tracking. Additional parking utilization determinants will be collected from other POSDA-performance data including maintenance response, customer satisfaction, security response and PPM installation – for SAP verification and reconciliation.

What remains less clear is what internal processes and staff responsibilities have been put in place to analyze and integrate the large quantity of new data streams, and to provide the necessary reporting narrative that would qualify key utilization variances. As well, Parking Operations confirmed that there remains no formal process to track or recover foregone revenues from hooded meters attributable to special events organized by third parties.

OAG: % complete

75%

Management Representation of Status of Implementation of Recommendation 5 as of Winter 2011

Management disagrees with the OAG's follow-up audit finding.

Comprehensive business processes were being analysed at the time of the follow-up audit fieldwork, and have now been finalized and documented by KPMG. These business processes clearly identify staff roles and responsibilities related to the reporting of new data streams and are in the process of being fully implemented.

Implementation of Pay and Display technology concluded in October 2010. The reporting requirement for parking utilization will be satisfied by a combination of the SAP report and the Central Management System back office reporting tool. These reports will be finalized with the Pay and Display service provider by Q2 2011.

Management would like to clarify that variances in utilization rates due to the hooding of meters is accounted for in the work described above. A process for recovering foregone revenues as a result of special events is beyond the scope of the original recommendation.

Management considers implementation of this recommendation to be substantially complete.

Management: % complete

90%

2008 Recommendation 6

(Assessed as 100% complete in the 2009 Interim Follow-up to the 2008 Audit of the Parking Function.)

That Traffic and Parking Operations Branch develop new Parking Operations Unit collection routes which address both a four and five day collection schedule and focus on collecting from the busiest routes most frequently; this may result in collections from some routes less frequently than is currently done, especially during weeks with statutory holidays.

2008 Management Response

Management agrees with this recommendation and this practice is currently in place.

Traffic and Parking Operations will continue to look for efficiencies and improvements to the collection schedule to ensure that the busiest routes are collected when needed and the less busy routes are collected less frequently. At the same time, it is important to ensure any system allows for the continuation of proactive monitoring of all parking meters to address problems as they arise as efficiently as possible. The data acquired through these regular collections forms part of a historical database that is used to monitor trends and forecast year-end revenue expectations.

New collection routes will be developed when Pay and Display machines are implemented. Due to the increased availability and detail of financial and maintenance information through automatic means, the acquisition of this data through regular collections will no longer be required. The frequency of the new collection routes would then be directly tied to the utilization of the machine. The implementation of Pay and Display technology is expected to occur Q1 2010 pending Council approval.

OAG Assessment of the Status of Implementation of Recommendation 6 as of September 15, 2009 (2009 Interim Follow-up of the 2008 Audit of the Parking Function)

OAG: % complete

100%

2008 Recommendation 7

(Assessed as 100% complete in the 2009 Interim Follow-up to the 2008 Audit of the Parking Function.)

That Traffic and Parking Operations Branch ensure that all Parking Operations Unit collection sheets indicate the routes collected and in cases where there are no collections, identify special circumstances which would contribute to lower

dollars collected (e.g., construction or hooding) as well as document alternate procedures (e.g., spare vaults used) with the reason noted on the collection sheet.

2008 Management Response

Management agrees with this recommendation.

Procedures for this practice are already in place. Staff review collection sheets on a weekly basis to audit the weight of the vaults and review any abnormalities that may be present in the specific collection route. Going forward, anomalies will be tracked and recorded consistently on the monthly revenue comparison sheets.

Once Pay and Display machines are implemented, the collection process will change and machines that do not require collection due to construction or hooding will not be collected.

The Pay and Display procurement process requires Council approval to proceed. A report seeking this approval will be presented to Council in Q2 2009 with expected implementation in Q1 2010 if approved.

OAG Assessment of the Status of Implementation of Recommendation 7 as of September 15, 2009 (2009 Interim Follow-up of the 2008 Audit of the Parking Function)

OAG: % complete

100%

2008 Recommendation 8

That Traffic and Parking Operations Branch ensure that new Pay and Display machines track the outstanding value of Smart Cards.

2008 Management Response

Management agrees with this recommendation.

As part of the Pay and Display procurement process, the City has set out minimum standards to ensure that any new Pay and Display machine can track the outstanding value of Smart Cards.

The Pay and Display procurement process requires Council approval to proceed. A report seeking this approval will be presented to Council in Q2 2009 with expected implementation in Q1 2010 if approved.

Management Representation of the Status of Implementation of Recommendation 8 as of September 30, 2010

Implementation of Pay and Display technology began in June 2010 and is currently on-going. It is expected that all Pay and Display machines will be installed by the end of October 2010.

The new parking Smart Card program is scheduled to be launched by the end of Q4 2010 following full installation and the new system will have the capacity to track the outstanding value of Smart Cards.

Management: % complete **80%**

OAG’s Follow-up Audit Findings regarding Recommendation 8

Parking Operations management reports that citywide implementation of P&D machines – with capability to track smart-card transactions and *residual* values – is reported to be 100 percent complete. Final system testing and verification is expected to be undertaken as full system reporting comes on-line over the coming months.

OAG: % complete **80%**

Management Representation of Status of Implementation of Recommendation 8 as of Winter 2011

Management agrees with the OAG’s follow-up audit finding.

The new parking Smart Card program is scheduled to be launched by the end of Q2 2011 and the capacity to track the outstanding value of the cards will be verified prior to implementation.

Management: % complete **80%**

2008 Recommendation 9

That the City, as part of the Cash-in-Lieu Policy review currently underway, consider reverting to the original intended use of cash-in-lieu funds generated (i.e., being used only for the provision of parking spaces) ideally in the same area as applicant property.

2008 Management Response

Management agrees with the recommendation.

The consideration of 'reverting to the original intended use of cash-in-lieu funds generated' will form part of the report to Committee and Council as part of the Cash-in-Lieu Policy review currently underway in the Planning branch. Parking Operations will play a key role in the review of the Cash-in-Lieu Policy. Timelines for the Policy review are as follows:

- Consultation with stakeholders Q1 2009
- Report on options to Planning and Environment Committee (PEC) and Council for identification of preferred option Q2 2009
- Consultation on preferred option Q2 2009

- Report to PEC and Council on results of consultation, including implementation strategy and financial Q3 2009 implications

Management Representation of the Status of Implementation of Recommendation 9 as of September 30, 2010

There have been four stakeholder sessions on the proposed Cash-in-Lieu of Parking policy; two for the public and two for the development industry in Q1 and Q4 2009. At these meetings, the City presented the preferred policy option and received feedback in preparation for the report to Council.

Due to competing departmental legislative priorities, this report was only completed in Q3 2010. This report will be brought forward to PEC by the Planning and Growth Management department before the end of Q1 2011.

Management: % complete *75%*

OAG's Follow-up Audit Findings regarding Recommendation 9

Parking Operations management reports the presentation of the Cash-in-Lieu of Parking policy is likely to be further delayed into 2011 or possibly 2012 under the guidance of the Planning and Development Department. As well, while proposed terms of reference for the Cash-in-Lieu Reserve Account are consistent with the original 2008 Audit recommendations, we note that the proposed terms indicate that Council may assign monies from these reserves to non-parking priorities.

OAG: % complete *50%*

Management Representation of Status of Implementation of Recommendation 9 as of Winter 2011

Management disagrees with the OAG's follow-up finding that implementation of this recommendation is only partially complete.

The report is being finalized with recommendations related to a new policy for approving Cash-in-Lieu of Parking, which includes where Cash-in-Lieu of Parking is appropriate, how much it should cost per parking space, the criteria for recommending approval or refusal of an application for Cash-in-Lieu of Parking, as well as how and where the funds raised should be spent.

With the completion of the rationale and staff recommendations, this report will be considered by Planning Committee in Q2 2011.

Management considers implementation of this recommendation to be substantially complete.

Management: % complete *75%*

2008 Recommendation 10

That Traffic and Parking Operations Branch re-evaluate Parking Operations Unit current inventory of surface lots with the view towards divesting of surface lots which do not satisfactorily assist in meeting Council approved desired goals.

2008 Management Response

Management agrees with this recommendation.

A review of the inventory of surface lots will be initiated upon the completion of the Parking Management Strategy, which is scheduled to be presented to Council for approval in Q2 2009.

The evaluation of any particular surface lot requires a comprehensive local area study to evaluate the short, medium and long-term parking supply and demand scenarios. The areas where surface lots exist will be assessed on this basis and a determination will be made with respect to their viability relative to Council approved desired goals.

Management Representation of the Status of Implementation of Recommendation 10 as of September 30, 2010

The first two Local Area Parking Studies have now been substantially completed and a report detailing the outcomes of each study will be presented to Transportation Committee and Council in Q1 2011. The next study to be undertaken is for the Westboro area. This is expected to be substantially completed in Q2 2011.

While there are no off-street surface lots captured in these particular studies, subsequent studies will investigate the potential to divest surface lots that do not satisfactorily assist in meeting Council-approved desired goals. This is an ongoing process.

Management: % complete 25%

OAG's Follow-up Audit Findings regarding Recommendation 10

Parking Operations staff indicate that the Parking Management Strategy stipulates that removal or retention of surface lots is dependent on the completion of a Local Area Parking Study. These studies are only undertaken as funds are approved by Council, and only two neighbourhood studies have been funded for 2010, with presentation to Transportation Committee and Council in Q1 2011. Management indicates that due to the scarcity of funds for such Area Parking Studies, there are no surface lots designated for study (and possible divestiture or decommissioning) in the foreseeable future. When asked, staff could not produce a list of underutilized lots nor do they keep a list of underutilized parking facilities as they foresee that little or no funds will be forthcoming to investigate underutilized facilities - and that parking equipment, no matter how rarely used - must remain in

operation until expensive Parking Demand Studies are conducted. This state of administrative procedural delay is both unreasonable and unjustified, binds Council and staff to an unnecessarily expensive study process, the leaves the City maintaining underutilized off-street lots and equipment and generally represents a dirt poor application of the foundational Council objectives of value-for-money, effectively and efficiency.

Given that the original audit recommendation identified the need to consider a divestiture approach based on already available utilization data, it seems only reasonable that Parking Operations should undertake such divestiture assessment reviews internally based on currently available information or on more robust utilization data available through new P&D machines.

OAG: % complete *25%*

Management Representation of Status of Implementation of Recommendation 10 as of Winter 2011

Management agrees with the OAG's follow-up audit finding.

In approving the Municipal Parking Management Strategy in 2009, Council approved appropriate funding for the Parking Operations, Maintenance and Development Branch to carry out two Local Area Parking Studies per year.

In accordance with the Municipal Parking Management Strategy, the off-street surface parking lots that are managed by the Parking Operations, Maintenance and Development Branch should not be considered in isolation. Instead, they are an integrated component of the parking system in which they are located. In order to properly assess the impact of divesting a specific lot, it is important to consider it in the context of a comprehensive review of the entire local parking system. Local Area Parking Studies also ensure that appropriate consultation takes place with such stakeholders as the local BIA, places of worship, the community association(s) and the Ward Councillor.

By the end of 2011, a study will have been completed for the each of the ByWard Market, Downtown Rideau and Westboro areas. In addition, at that time studies will be underway and substantially completed for Old Ottawa South and the Glebe. These studies will continue in subsequent years and it is expected that all of the City's surface lots will be assessed by the end of 2013.

Management: % complete *25%*

2008 Recommendation 11

That Traffic and Parking Operations Branch re-evaluate Parking Operations Unit current inventory of on-street parking, including On-street Residential Permits, to ensure it complies with the new Parking Management Strategy, once developed.

2008 Management Response

Management agrees with this recommendation.

A review of on-street parking, by area, will be undertaken upon the completion of the Parking Management Strategy, which is scheduled to be presented to Council for approval in Q2 2009.

Management Representation of the Status of Implementation of Recommendation 11 as of September 30, 2010

The first two Local Area Parking Studies have now been substantially completed and a report detailing the outcomes of each study will be presented to Transportation Committee and Council in Q1 2011. A study of the Westboro area is now underway as well and is expected to be substantially complete by Q2 2011. These studies involve an assessment of on-street parking requirements. Along with subsequent studies, these will contribute to providing a system-wide review of the City's on-street parking inventory. This is an on-going process.

Management: % complete *25%*

OAG's Follow-up Audit Findings regarding Recommendation 11

Parking Operations staff indicates that on-street parking inventory issues are being considered within terms of reference for individual Local Area Parking studies. These studies are only undertaken as funds are approved by Council. Two neighbourhood studies have been funded for 2010 and are expected to be presented to Transportation Committee and Council in Q1 2011. In light of staff comments, it is expected that there are no foreseeable plans to complete a comprehensive, citywide assessment of the on-street parking inventory.

In light of substantial new parking utilization information to be made available in 2010-2011 through Pay and Display SAP utilization and revenue tracking, an onus remains on the Parking Operations Division to report to Council on whether existing data measurements and analytics could provide a sufficient basis (as opposed to waiting for stand-alone Area Parking Studies) for determining whether the on-street parking inventory complies with the Municipal Parking Management Strategy and meets Council objectives of value-for-money.

OAG: % complete *25%*

Management Representation of Status of Implementation of Recommendation 11 as of Winter 2011

Management agrees with the OAG's follow-up audit finding.

The Municipal Parking Management Strategy, as approved by Council in 2009, includes comprehensive rate setting guidelines which are tied to peak utilization rates and consultation with the appropriate stakeholders, including local BIAs, places of worship, the community association(s) and the Ward Councillor. Per the Municipal Parking Management Strategy, the key tool to assess the on-street parking inventory is the Local Area Parking Study. Funding is in place to carry out two such studies per year.

A comprehensive study of the on-street parking inventory was carried out in 2009 which identified average utilization rates for all on-street parking areas. This information, along with the information that is available through the Pay and Display technology is being used to feed the Local Area Parking Studies. For example, where average utilization is extremely low, work is undertaken to determine if it is feasible to remove or reduce the rate of on-street paid parking. Such was the case with some areas in Vanier where in 2010, 100 paid parking spaces were removed and the hourly rate was reduced for another 200 spaces following an investigation and consultation with local stakeholders.

This 'quick-win' process is a mechanism that is also in alignment with the Municipal Parking Management Strategy and will continue to be utilized, but only where practical given the existing conditions and available information. In the majority of cases, the Parking Operations, Maintenance and Development Branch will continue assessing the on-street parking inventory on an area-by-area basis through Local Area Parking Studies.

The re-evaluation of the on-street parking inventory is an on-going process undertaken in alignment with the Municipal Parking Management Strategy, and in consideration of the objectives contained therein.

Management: % complete *25%*

2008 Recommendation 12

(Assessed as 100% complete in the 2009 Interim Follow-up to the 2008 Audit of the Parking Function.)

That the City work with local Business Improvement Areas (BIAs) to develop parking rate strategies including considering allocating revenues collected within the BIA, Neighbourhood or Ward in which the funds are collected, to further buy-in by the local community.

2008 Management Response

Management agrees with this recommendation.

Staff have set up internal and external working groups as part of the development of the Parking Management Strategy, which will be presented to Council for approval in Q2 2009. Members of these working groups include representatives from area BIAs, community and church groups, business associations, motorcycle and scooter representatives and others. The Parking Management Strategy will address the allocation of revenues.

OAG Assessment of the Status of Implementation of Recommendation 12 as of September 15, 2009 (2009 Interim Follow-up of the 2008 Audit of the Parking Function)

OAG: % complete

100%

2008 Recommendation 13

That the Parking Operations Unit maintenance staff of the Traffic and Parking Operations Branch endeavour to spend additional time testing and conducting proactive maintenance on parking machines in high traffic areas to detect and correct malfunctions in meters as soon as possible.

2008 Management Response

Management agrees with this recommendation.

Parking Operations currently has in place a proactive maintenance management program for both on-street and off-street equipment. The program includes over 31 maintenance plan elements with over 1,129 activities that address key operating components. Staff continually strives to improve our proactive maintenance activities and techniques to ensure that less time and money is spent on maintenance and that there is an ongoing reduction in the number of calls from the public regarding equipment malfunctions. This proactive approach has already resulted in a 37% reduction in calls related to equipment malfunctions between 2003 and 2007.

Staff will endeavour to further improve upon these results through the establishment of scheduled testing protocols on parking equipment in high traffic areas that will test coin discrimination, battery levels and Parking Card acceptance. The implementation of these protocols will focus on parking equipment in high traffic areas. Monthly reports will be prepared as a result of these tests and will be tracked to monitor any lifecycle issue with the different components. This initiative will be implemented in Q2 2009.

The implementation of Pay and Display machines (expected Q1 2010) will assist staff in identifying problems sooner, as the machine will be able to communicate problems wirelessly to a PDA or cell phone as they occur.

Management Representation of the Status of Implementation of Recommendation 13 as of September 30, 2010

With the testing protocols in place, additional time has been spent testing and conducting proactive maintenance. The results of this testing are now consolidated into weekly reports that are used to more readily identify and correct malfunctions in parking meters.

Management: % complete 100%

OAG's Follow-up Audit Findings regarding Recommendation 13

The near completion of P&D implementation - close to 100 percent of parking meters have been replaced with P&D machines - is expected to result in responsive identification and resolution of machine malfunction. The new P&D machines will gather key performance and maintenance data that can be uploaded to the CMS and SAP reporting systems to identify performance characteristics and remedies.

OAG: % complete 100%

2008 Recommendation 14

That Traffic and Parking Operations Branch work with their FSU, once a decision is made as to how to proceed with the use of P&D machines, to develop standard monthly reports to ensure they are managing the operations effectively and to ensure that any contracted work meets contractual obligations.

2008 Management Response

Management agrees with this recommendation.

Upon the conclusion of the procurement process for Pay and Display machines, appropriate processes and reports will be established to enable the City to properly monitor the performance of the system as well as the contractual obligations of the successful proponent. This action will coincide with the expected implementation of the Pay and Display machines in Q1 2010.

Management Representation of the Status of Implementation of Recommendation 14 as of September 30, 2010

The specifications documentation has been completed along with an example of the report layout and is being reviewed by SAP support staff. Development of the report has been included in the December SAP sustainment release. Management expects implementation of this recommendation to be complete by the end of Q4 2010.

Management: % complete 50%

OAG's Follow-up Audit Findings regarding Recommendation 14

Parking Operations specifications documentation indicates timely and comprehensive information by revenue sources (e.g., cash, credit card, etc.) and sub-area of the City (e.g., by block-face, street grouping or even wider community areas). Proposed variance and compliance reviews will report parking revenue and occupancy discrepancies. Staff report that key POSDA-performance data – maintenance response, customer satisfaction, security response and PPM installation – will be gathered for SAP verification and reconciliation.

Tracking and reporting of revenue and utilization rates will be carried out on a regular basis by City staff. Full system analysis will be available upon final implementation of P&D machines – now estimated by Parking Operations staff to be 98 percent completed.

What was less than clear through Follow-up Audit interviews was what internal processes and staff responsibilities have already been initiated to analyze and integrate the multiplicity of new data streams, to provide the necessary reporting narrative that would qualify key variances and lessons learned, and to ensure continuing compliance with performance standards, most notably the Contractor Revenue Guarantee. Given the staff SAP skills-gap identified during the original Audit, the advancement of staff skills, office data-use practices and interpretation and application of reports remain important considerations for Parking Operations.

OAG: % complete

50%

Management Representation of Status of Implementation of Recommendation 14 as of Winter 2011

Management agrees with the OAG's follow-up audit finding, however further progress has been made.

Comprehensive business processes were being analysed at the time of the follow-up audit fieldwork and have now been finalized and documented by KPMG. These business processes clearly identify staff roles and responsibilities related to the reporting of new data streams and ensuring compliance with contractor performance standards.

The specifications documentation has been completed along with an example of the report layout and is being reviewed by SAP support staff. The building of the report was more complex than originally anticipated, which made the December 2010 timeline unachievable. The report has now been included in the Q2 2011 SAP sustainment release. Management expects implementation of this recommendation to be complete by the end of Q2 2011.

Comparison reports from the Pay and Display Central Management System (CMS) will be utilized in conjunction with the SAP reports and the monthly revenue reporting requirement will be satisfied by a combination of these reports.

Management considers implementation of this recommendation to be substantially complete.

Management: % complete *75%*

2008 Recommendation 15

That Traffic and Parking Operations Branch develop a proactive and cost effective approach to maintenance of parking machine inventory (parking meters, P&D, POF).

2008 Management Response

Management agrees with this recommendation.

Parking Operations currently has in place a proactive maintenance management program for both on-street and off-street equipment. The program includes over 31 maintenance plan elements with over 1,129 activities that address key operating components. Staff continually strive to improve our proactive maintenance activities and techniques to ensure that less time and money is spent on maintenance and that there is an ongoing reduction in the number of calls from the public regarding equipment malfunctions. This proactive approach has already resulted in a 37% reduction in calls related to equipment malfunctions between 2003 and 2007.

Staff will endeavour to further improve on these results through the establishment of scheduled testing protocols on parking equipment in high traffic areas that will test coin discrimination, battery levels and Parking Card acceptance. The implementation of these protocols will focus on parking equipment in high traffic areas. Monthly reports will be prepared as a result of these tests and will be tracked to monitor any lifecycle issue with the different components. This initiative will be implemented in Q2 2009.

The implementation of Pay and Display machines (expected in Q1 2010) will assist staff in identifying problems sooner, as the machine will be able to communicate problems wirelessly to a PDA or cell phone as they occur.

Management Representation of the Status of Implementation of Recommendation 15 as of September 30, 2010

A proactive and cost effective approach to the maintenance of the parking equipment inventory has been developed. This includes systematic audits of 15-20 parking meters per day in high traffic areas. The results of these audits are now consolidated into reports that are generated on a monthly basis.

Management: % complete *100%*

OAG's Follow-up Audit Findings regarding Recommendation 15

The near completion of P&D implementation – close to 100 percent of parking meters have been replaced with P&D machines – is expected to result in responsive identification and resolution of machine malfunction within the cost of contractor operations. The new P&D machines will gather key performance and maintenance data that can be uploaded to CMS and SAP reporting systems to identify performance characteristics and remedies.

OAG: % complete

100%

2008 Recommendation 16

That Traffic and Parking Operations Branch develop operational protocols and best practices to which they will aspire and against which they will be measured. This document, approved by Council, should include various Performance Measurement outcomes against which the Unit's performance can be measured and published.

2008 Management Response

Management agrees with this recommendation.

Parking Operations currently follows core policies and procedures that guide activities and maintenance schedules in order to reduce downtime for parking meters, pay and display machines, pay on foot machines and other parking equipment. There are also programmed maintenance schedules for parking structures and lots. Presently, a Performance Measurement Framework is being developed within Traffic and Parking Operations that will review service-specific outcomes as well as the establishment of performance measures and targets. It is anticipated that this initiative will be finalized and implemented by Q3 2009. This will be presented to Council as part of the Strategic Branch Review in 2010.

Also to be undertaken is the development of an Operation Protocol and Best Practices document that will amalgamate existing operational procedures into one overall guiding document. This document will also be completed by Q3 2009.

Management Representation of the Status of Implementation of Recommendation 16 as of September 30, 2010

A Performance Measurement Framework has been developed for Parking Operations, Maintenance and Development and implementation has begun. Reporting to Transportation Committee on various performance measures will begin with the 2010 Annual Report, which will be completed in Q2 2011.

The completion of the Operation Protocol and Best Practises document is linked to the finalization of operating and contract management procedures associated with the new Parking Operation System. This process will be wrapped up in Q4 2011.

Management: % complete

75%

OAG's Follow-up Audit Findings regarding Recommendation 16

Parking Operations has done a good job of defining performance indicators for the parking function that are consistent with the objectives of the Municipal Parking Management Strategy. Notably, the Parking Operations Performance Measurement Framework identifies key statistical indicators identified by the Auditor General, including utilization rates (for example, number of on-street parking spaces at 75%-85% occupancy), revenues and expenses per parking space, and maintenance (for example, parking equipment downtime).

While progress on a Performance Measurement Framework has progressed, departmental staff are unable to provide details on discrete and trackable Goals, Outputs and Outcomes to be reported to Council. Neither could staff provide timelines on when PMF details will be approved by Council.

Parking Operations needs to demonstrate tangible progress in collecting and integrating parking data within the business performance and operational Key Performance Indicators (KPI). Similarly, it is less clear what internal processes and staff responsibilities have been put in place to analyze and integrate the multiplicity of new data streams that would inform the Performance Measurement Framework.

A ready-made opportunity exists to expand awareness of parking KPI through the regular quarterly performance reports presented to Council. Results from available indicators should be published as part of an expanded parking performance section within the quarterly report.

OAG: % complete

75%

Management Representation of Status of Implementation of Recommendation 16 as of Winter 2011

Management agrees with the OAG's follow-up audit finding.

The Performance Measurement Framework has been finalized and will be presented to Transportation Committee and Council along with the first Annual Report for Parking Operations, Maintenance and Development in Q2 2011. The Annual Report will represent the start of regular internal and external performance reporting for the Branch. Discrete and trackable goals and outcomes will be subsequently developed once respective baselines are established.

Parking Operations, Maintenance and Development will explore the possibility of reporting through the City's Quarterly Performance Report.

Further, the completion of the Operation Protocol and Best Practices document is linked to the finalization of operating and contract management procedures associated with the new Parking Operation System. This process will be wrapped up in Q4 2011.

Management: % complete

75%

2008 Recommendation 17

(Assessed as 100% complete in the 2009 Interim Follow-up to the 2008 Audit of the Parking Function.)

That Traffic and Parking Operations Branch develop a mechanism to ensure that Council initiated directives are achieved and reported to Council. In the event these initiatives will not be achieved within a reasonable timeframe, the information should be communicated to Council.

2008 Management Response

Management agrees with this recommendation.

There is currently a corporate-wide coordinated effort underway to improve the tracking of City Council initiated directives. Traffic and Parking Operations is active in this respect and will have an internal process in place by Q4 2008.

OAG Assessment of the Status of Implementation of Recommendation 17 as of September 15, 2009 (2009 Interim Follow-up of the 2008 Audit of the Parking Function)

OAG: % complete

100%

4 SUMMARY OF THE LEVEL OF COMPLETION

1. The table below outlines our assessment of the level of completion of each recommendation as of December 2010.

CATEGORY	% COMPLETE	RECOMMENDATIONS	NUMBER OF RECOMMENDATIONS	PERCENTAGE OF TOTAL RECOMMENDATIONS
LITTLE OR NO ACTION	0 – 24	-	-	-
ACTION INITIATED	25 – 49	10, 11	2	11%
PARTIALLY COMPLETE	50 – 74	4, 9, 14	3	18%
SUBSTANTIALLY COMPLETE	75 – 99	5, 8, 16	3	18%
COMPLETE	100	1, 2, 3, 6, 7, 12, 13, 15, 17	9	53%
TOTAL			17	100%

2. The table below outlines management’s assessment of the level of completion of each recommendation as of Winter 2011 in response to the OAG’s assessment. These assessments have not been audited.

CATEGORY	% COMPLETE	RECOMMENDATIONS	NUMBER OF RECOMMENDATIONS	PERCENTAGE OF TOTAL RECOMMENDATIONS
LITTLE OR NO ACTION	0 – 24	-	-	-
ACTION INITIATED	25 – 49	10, 11	2	11%
PARTIALLY COMPLETE	50 – 74			
SUBSTANTIALLY COMPLETE	75 – 99	4, 5, 8, 9, 14, 16	6	36%
COMPLETE	100	1, 2, 3, 6, 7, 12, 13, 15, 17	9	53%
TOTAL			17	100%

5 CONCLUSION

Parking Operations is recognized as having made significant strides in addressing the recommendations of the 2008 Audit of the Parking Function. A comprehensive Municipal Parking Management Strategy has been developed and approved by Council, substantial progress has been made in building a supportive operational and performance measurement framework, and integrating parking planning has been reinforced within municipal priority policies such as the Official Plan and Transportation Master Plan.

Parking Operations specifications and current documentation identifies a series of measurements that would appear to significantly leverage Pay-and-Display technology to increase the availability of detailed and disaggregated parking revenue, maintenance and utilization information. While only fully implemented late in the summer of 2010 and not yet fully operational, system reports are expected to routinize the collection of timely and comprehensive performance and audit information. Proposed Pay-and-Display variance and compliance reports will include parking revenue and occupancy discrepancies by geographic areas. This departmental initiative is expected to enable the Department to address key 2008 Audit concerns.

At the conclusion of the follow-up audit review and interviews, it remained unclear what internal processes and staff responsibilities have been installed to analyze new data streams, to provide the necessary reporting narrative that would qualify key variances and lessons learned. Moreover it remains unclear what measures will be used to determine administrative and contractual compliance with performance standards, most notably the Pay and Display Contract Revenue Guarantee.

Limited progress is being made in addressing 2008 Audit recommendations on continuing systemic uncertainties involving the Cash-in-Lieu policy, surface lots and on-street parking. Parking Operations has not identified a comprehensive approach to this issue; relying instead on infrequent neighbourhood Local Area Parking studies.

6 ACKNOWLEDGEMENT

We wish to express our appreciation for the cooperation and assistance afforded the audit team by management.

Overall Management Response

Significant progress has been made to address the OAG's concerns with respect to unclear business processes and staff responsibilities as noted in Recommendations 4, 5 and 14.

Comprehensive business processes were being analysed at the time of the follow-up audit fieldwork, and have now been finalized and documented by KPMG. These business processes clearly identify staff roles and responsibilities related to the reporting of new data streams and are in the process of being fully implemented. A copy of this work is available for review if desired. In the interim, staff are conducting regular monthly reconciliations of revenues against cash/credit card summary reports and audit tapes from the parking payment equipment to ensure that all revenue streams are accurate and fully accounted for.

With regard to the OAG's finding that there is a lack of a comprehensive approach to evaluate surface lots and on-street parking, the implementation of the Council-approved Municipal Parking Management Strategy provides exactly that. Funding and resourcing levels allow for two Local Area Parking Studies to be undertaken each year. This represents an on-going process that is required in order to properly consider the impact of parking changes on the local parking system and to fully consult with local stakeholders.