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Mayor

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Metro Council

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Office of Internal Audit

Public Works

Vehicle Impoundment
Division



Audit Report

Office of Internal Audit

Public Works



Vehicle Impoundment Division

August 2006

Public Works

Vehicle Impoundment
Division

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Transmittal Letter

August 11, 2006

The Honorable Jerry E. Abramson
Mayor of Louisville Metro
Louisville Metro Hall
Louisville, KY 40202

Re: Audit of Public Works Vehicle Impoundment Division Revenue

Introduction

An audit of the revenue activity at the Louisville Metro Vehicle Impoundment Division (VID) was performed. The Vehicle Impoundment Division is administered by the Metro Public Works department. The primary focus of the audit was the operational and fiscal administration of the activity. This included how the Vehicle Impoundment Division processes, records, and monitors the activity.

The examination was conducted in accordance with Government Auditing Standards issued by the Comptroller General of the United States and with the International Standards for the Professional Practice of Internal Auditing issued by the Institute of Internal Auditors.

As a part of the review, the internal control structure was evaluated. The objective of internal control is to provide reasonable, but not absolute, assurance regarding the achievement of objectives in the following categories:

- Achievement of business objectives and goals
- Effectiveness and efficiency of operations
- Reliability of financial reporting
- Compliance with applicable laws and regulations
- Safeguarding of assets

There are inherent limitations in any system of internal control. Errors may result from misunderstanding of instructions, mistakes of judgment, carelessness, or other personnel

factors. Some controls may be circumvented by collusion. Similarly, management may circumvent control procedures by administrative oversight.

Scope

The operating procedures for the Vehicle Impoundment Division revenue activity were reviewed through interviews with key personnel. The focus of the review was the operational and fiscal administration of the activity. Tests of sample data were performed for transactions from fiscal year 2006 (July 1, 2005 to January 31, 2006). Activity reviewed included Vehicle Impoundment Division towing documents, register reports, auction receipts, bank statements, and financial postings.

The review included assessing whether activity was processed, recorded, and monitored accurately and appropriately. The details of the scope and methodology of the review will be addressed in the Observations and Recommendations section of this report. The examination would not identify all weaknesses because it was based on selective review of data.

Opinion

It is our opinion that the administration of the Metro Public Works Department Vehicle Impoundment Division (VID) revenue activity is weak. The internal control rating is on page 5 of this report. This rating quantifies our opinion regarding the internal controls, and identifies areas requiring corrective action.

Opportunities to strengthen the administration of VID revenue activity were noted in several areas. Examples of these include the following.

- **Monitoring and Reconciliation.** Monitoring and reconciliation of VID activity is weak. There were issues related to the oversight of bank deposits and credit card submissions. Some of the weaknesses were related to the structure of the Metro financial system, resulting in an impediment of VID's ability to perform proper monitoring. While this issue is not limited to VID, and Metro Finance is considering options to address it, VID is ultimately accountable for the proper posting of its activity to the financial system.
- **Segregation of Duties.** There is not adequate segregation of duties with regards to the cashiering functions associated with the VID revenue activity. Multiple VID attendants share a single cashier drawer during some shifts. This weakens accountability since it is not possible to attribute any discrepancies to a single individual. Also, the cashier has the ability to run register activity reports independently.
- **Efficiency and Effectiveness.** VID activity is administered mainly using a manual process. While cash register systems are used, along with information managed using general MS-Office software, most files and records are handwritten. This increases the risk of inaccurate information which can result in processing delays or the improper management of transactions. In addition, revenue receipts are processed using two stand-alone cash register systems.
- **Policies and Procedures.** There are no documented division policies and procedures to guide personnel in the administration and management of towed vehicles. This

increases the risk of non-compliance with intended policies. This can also lead to inconsistencies and inefficiencies with activity processing. Also, VID revenue deposits do not consider any threshold amount. Best practices for cash management involve scheduled deposits, along with ensuring funds are deposited once a pre-defined amount is received.

The implementation of the recommendations in this report will help improve the internal control structure and effectiveness of the administration of VID revenue activity.

Corrective Action Plan

Representatives from the Public Works department have reviewed the results and are committed to addressing the issues noted. Public Works' corrective action plans are included in this report in the Observations and Recommendations section. We will continue to work with the Public Works department to ensure the actions taken are effective to address the issues noted.

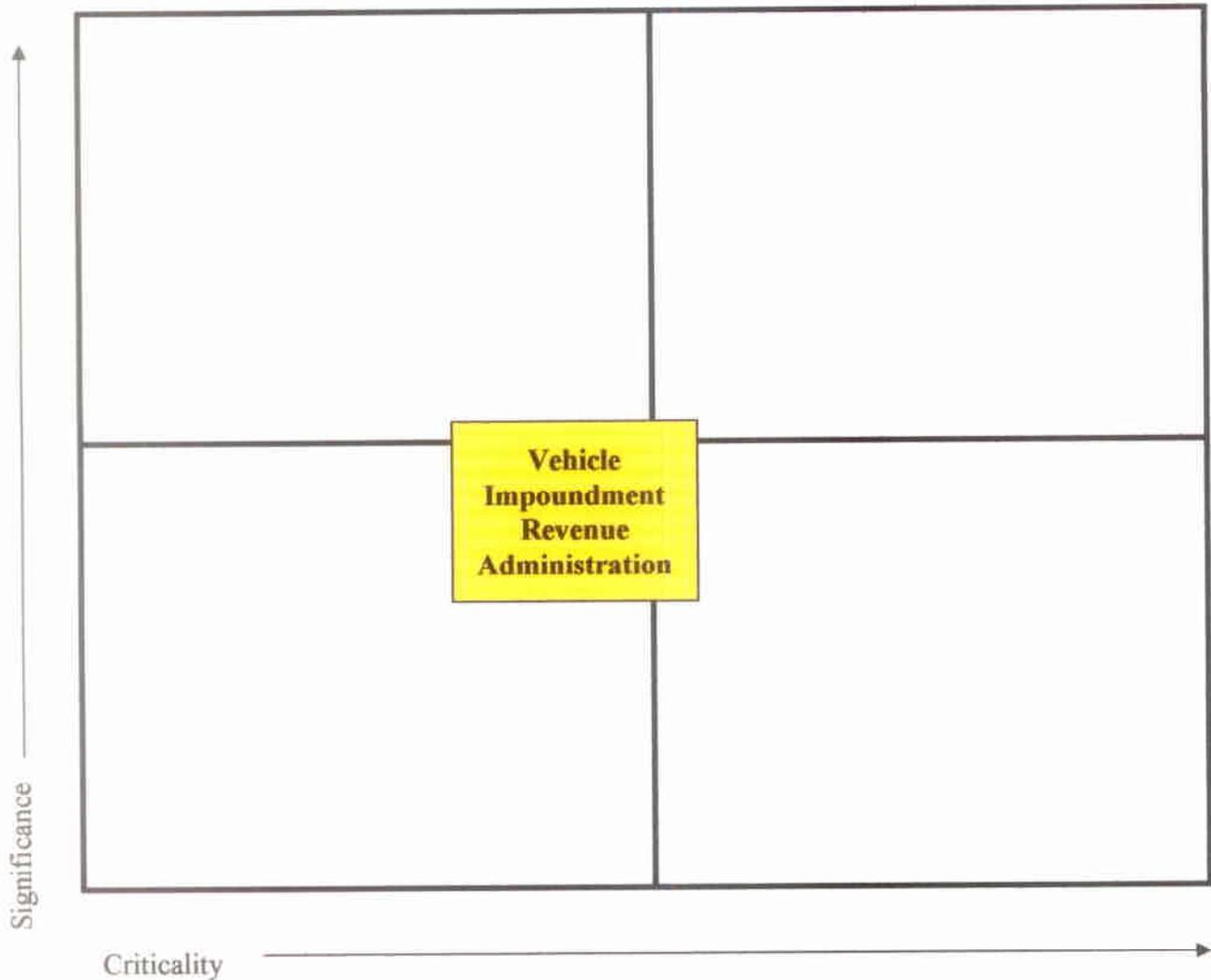
Sincerely,



Michael S. Norman, CIA, CGAP
Chief Audit Executive

cc: Louisville Metro Council Audit Committee
Louisville Metro Council Members
Deputy Mayors
Director of Public Works

Internal Control Rating



<u>Legend</u>			
<u>Criteria</u>	<u>Satisfactory</u>	<u>Weak</u>	<u>Inadequate</u>
<i>Issues</i>	Not likely to impact operations.	Impact on operations likely contained.	Impact on operations likely widespread or compounding.
<i>Controls</i>	Effective.	Opportunity exists to improve effectiveness.	Do not exist or are not reliable.
<i>Policy Compliance</i>	Non-compliance issues are minor.	Non-compliance issues may be systemic.	Non-compliance issues are pervasive, significant, or have severe consequences.
<i>Image</i>	No, or low, level of risk.	Potential for damage.	Severe risk of damage.
<i>Corrective Action</i>	May be necessary.	Prompt.	Immediate.

Background

The Vehicle Impoundment Division (VID) of the Metro Public Works Department is responsible for the impoundment of vehicles that are in violation of traffic regulations, blocking streets or abandoned in public areas. VID is also responsible for providing towing and impoundment services for vehicles identified as nuisances by Metro Inspections, Permits and Licenses and clearing streets after vehicular accidents. The division stores vehicles involved in fatal accidents, arson investigations and other criminal activity.

VID operates tow trucks 24 hours a day, seven days a week. All trucks are equipped with a police radio that enables them to respond to runs dispatched by Louisville MetroSafe operators. The division collects revenues associated with towing and storage charges, along with receipts from the auction of unclaimed vehicles in accordance with established guidelines.

The Metro Public Works Department Vehicle Impoundment Division has an approved operating budget of approximately \$1.5 million. VID impoundment revenue is recorded as Metro general fund revenue, with a budget of approximately \$1.5 for fiscal year 2006.

This was a scheduled audit.

Summary of Audit Results

I. Current Audit Results

See Observations and Recommendations section of this report.

II. Prior Audit Issues

The Office of Internal Audit previously audited the Vehicle Impoundment Division revenue activity in January 1999. Unless otherwise noted, all prior weaknesses have been satisfactorily addressed.

III. Statement of Auditing Standards

The audit was performed in accordance with Government Auditing Standards issued by the Comptroller General of the United States and with the International Standards for the Professional Practice of Internal Auditing issued by the Institute of Internal Auditors.

IV. Statement of Internal Control

A formal study of the internal control structure was conducted in order to obtain a sufficient understanding to support the final opinion.

V. Statement of Irregularities, Illegal Acts, and Other Noncompliance

The examination did not disclose any instances of irregularities, any indications of illegal acts, and nothing was detected during the examination that would indicate evidence of such. Any significant instances of noncompliance with laws and regulations are reported in the Observations and Recommendations section of this report.

VI. Views of Responsible Officials / Action Plan

A draft report was issued to Public Works' on July 6, 2006. An exit conference was held at the Public Works administrative office on July 25, 2006. Attending were Jim Adkins and Barbara Rayzor representing Public Works; Mike Norman, Gena Redmon and Mark Doran representing the Office of Internal Audit. Final audit results were discussed.

The views of the Public Works officials were received on August 11, 2006 and are included as corrective action plans in the Observations and Recommendations section of the report. The plans indicate a commitment to addressing the issues noted.

Observations and Recommendations

Scope

The Metro Department of Public Works Vehicle Impoundment Division (VID) procedures for managing revenue activity were reviewed through interviews with key personnel. The review focused on fees for charges received from impounded vehicle activity. The primary objective of the review was to assess VID practices for the processing, recording, and monitoring of revenue activity.

A sample of VID revenue transactions was judgmentally selected for the audit period of July 1, 2005 through January 31, 2006. The sample was selected from the population of activity recorded in the following two data sets.

Impounded Vehicles / Releases

A sample of VID revenue activity was judgmentally selected from the population of tow transactions recorded on VID records for the audit period. The review consisted of examining the sample of impounded vehicle files and the supporting documentation including 1) Louisville Metro ordinances and any related State requirements, 2) VID yellow book log, 3) tow cards, 4) vehicle owner identification records, 5) cash register and database records, 6) bank statements and credit card submissions and 7) Metro financial system postings.

Vehicle Auctions

A sample of VID auction revenue activity was judgmentally selected from the population of tow transactions recorded on VID records for the audit period. The review consisted of examining the sample of impounded vehicle files and the supporting documentation including 1) Louisville Metro ordinances and any related State requirements, 2) VID yellow book log, 3) notification letters, 4) auction list, 5) NCIC/ Jefferson County Clerk reports and 6) cash receipt records.

This information was reviewed to ensure that activity was processed accurately and appropriately. The examination would not reveal all weaknesses because it was based on selective review of data. The following issues were noted.

Observations

There were some issues noted with the administration of the Vehicle Impoundment Division revenue. As a result, the internal control structure is weakened and its effectiveness impaired. The observations are as follows:

- #1 Monitoring and Reconciliation
- #2 Segregation of Duties
- #3 Efficiency and Effectiveness
- #4 Policies and Procedures

Details of these begin on the following page.

#1 - Monitoring and Reconciliation

Vehicle Impoundment Division (VID) revenue receipts for cash and checks are deposited into a Louisville Metro bank account via an armored car service. Credit card receipts are submitted electronically and posted to a separate bank account. Several forms are used to record impounded vehicles and the revenue associated with releases and auctions. The following weaknesses were noted related to VID activity monitoring.

- Bank deposits are made through the use of an armored car service. VID staff does not have access to bank account information to ensure that cash and checks are properly recorded. Additionally, Metro Finance prepares the posting of activity on the Metro financial system based on the bank account deposits. Revenue is reflected in accounts established for Metro General Fund Revenue. Reports for these accounts have not been made available to VID staff, therefore proper monitoring and reconciliation has not been performed. *This is not limited to VID activity. Similar situations have been identified for other departments. Metro Finance is aware of the issue and is currently considering options to address the concerns.* Regardless, Public Works VID is responsible for the accurate posting of its activity.

Similar problems were noted during the previous review.

- VID staff do verify that credit card activity posts to the bank account as intended, but do not verify the appropriateness and accuracy of the user fees. The credit card activity is processed in accordance with a Metro-wide policy administered by the Finance department. VID staff are not familiar with the details of the agreement in order to monitor the appropriateness of the service fees.
- Based on the sample of impoundment cases examined, some instances were noted in which monitoring did not appear to be effective. While these occurrences appear to be clerical in nature, they could be indicative of a monitoring system that is not functioning as intended. The following are examples of the types of problems.
 - The cash register cannot be used to report detail for cash / check and credit card amounts received, only the grand total is considered. VID staff performs a manual process to verify the accuracy of bank deposits and credit card receipts. The cash register reading, strip ticket, and strip sheet must be reconciled in order to verify the accuracy of the bank deposit. Individual credit card receipts are reviewed to verify the accuracy of submissions to the bank. The cumulative amount of bank deposits and credit card sales should correspond to the sales recorded on the cash register. This manual process may not be the most efficient use of resources and increases the likelihood that errors could occur.
 - A couple of cases were noted in which the cash register readings did not reconcile with the bank deposit and credit card information. The discrepancies were \$10 and \$25.
 - In one case, there was not sufficient documentation for a manual adjustment made to the cash register reading. There was no information to denote the individual making the adjustment, nor any evidence of review.
 - There were some cases noted in which the VID forms (strip sheet, strip ticket, cash register reading) used to record revenue activity did not agree with one another or were incomplete. This included inaccurate reference numbers, dates and shift worked.

- The Louisville Metro Police Department (LMPD) may place holds on impounded vehicles for investigative purposes in order to restrict them from being released. A release authorization is provided to VID when the vehicle is available. There were some cases noted in which the release authorization date did not agree with the VID files.
 - In one case, the release authorization date did not agree with the tow card release date. It appeared as though the vehicle was released prior to being authorized by Police.
 - A couple of cases were noted in which the VID database system release date did not agree with the tow card release date.
- Based on the sample of auctioned vehicles examined, a case was noted in which the listed number of vehicles on the auction list for sale (104) did not agree with the total number of vehicles sold that day (105). While some adjustments were documented, this error was not detected.
- The actual information recorded on the VID yellow book log does not correspond with the document headings. The log is one of several manual records used during the impoundment process, but it has not been updated to reflect the information currently used. This does not clearly present information and could be confusing to users.

Recommendations

Appropriate personnel should take corrective action to address the issues noted. Specific recommendations include the following.

- ✓ A major component of any reporting system is proper reconciliation and monitoring. It is imperative that administrative staff reviews the information on a regular basis. This includes reviewing individual transactions for appropriateness, completeness and adherence to requirements, along with monitoring of cash register reports. Ultimately, transactions should be reconciled to the bank statements and Metro financial statements to ensure the accurate and timely reflection of activity. In order to promote proper segregation of duties, an administrator independent of the actual processing of activity should perform this function.
- ✓ A formal, documented reconciliation process should be practiced. The detailed activity reports should be compared to some type of source documentation (e.g., cash register reports, database system records, actual receipts and a towing/impoundment forms). Discrepancies should be properly noted and researched. This helps ensure the transactions were processed as intended and properly recorded. This also helps to verify the accuracy of and strengthen the reliability of the revenue activity reports and Metro financial statements.
- ✓ VID staff should contact Metro Finance to request credit card agreement information regarding processing requirements and the associated fees. Bank statements should be reviewed to ensure accuracy and appropriateness. This includes the verification of individual transactions, as well as, the fees charged to Metro.
- ✓ VID cash register / access database system transactions should be reconciled to the Metro financial statements to ensure the accurate and timely reflection of activity. Since these transactions post to a Metro General Fund revenue account, VID

personnel should work with Metro Finance to determine their role and responsibility in monitoring the activity. Ultimately, VID is responsible for the accurate posting of its activity.

- ✓ Administrative review should include the routine monitoring of control numbers (tow number, cash register reading number purchase orders, auction list counts and written receipts) to identify any potential missing or inappropriate activity.
- ✓ VID should investigate the expanded use of the access database system. This should include incorporating reporting functions and processing capabilities to promote efficiency, accuracy and timeliness for recording of revenue. Ideally, a single cash register system could be used to manage VID information and the system should be included in a computer network available to authorized users. This would likely allow for a shift of resources from processing to monitoring activities, along with the ability to perform more automated monitoring. The Metro Department of Technology should be consulted for assistance as necessary.
- ✓ Reports should provide information in a clear and concise manner. The format of records should be updated as necessary to help ensure the information is presented in a manner to promote efficient and effective monitoring.

Vehicle Impoundment Corrective Action Plan

The following corrective actions have been implemented to address the issues associated with monitoring and reconciliation.

- The Vehicle Impoundment Division is now using a “Transaction Report” that is prepared using the computer database system. This includes information for all releases for each day, which are matched with the release supporting documentation and revenue reports.
- The Metro Finance department has been contacted regarding information for the credit card agreement.
- The Metro Finance department has been contacted to provide bank deposit and financial system posting information for all revenue receipts. Monthly reports will be provided to the Vehicle Impoundment Division.
- The Metro Department of Technology has been consulted regarding cashier system updates. Also, the possibility of networking the cashier system computer is being considered.

#2 - Segregation of Duties

Some weaknesses were noted regarding the segregation of duties for Vehicle Impoundment Division revenue activity. VID staff receives and process all payments for fees / charges at a secured cashier station located at the VID administrative office. In addition to various documents used to record impounded vehicles, all revenue receipts are processed using cash register systems. The following issues were noted.

- Multiple VID attendants share a single cashier drawer during some shifts. This weakens accountability since it is not possible to attribute any discrepancies to a single individual.
- VID cashiers have the ability to prepare revenue activity reports independently. The following examples were noted.
 - The Administrative staff no longer takes register readings to balance each day's transactions; rather they use the readings taken by the VID attendants who serve as cashiers. This procedure allows the cashier to be aware of the cash register revenue receipt balance and could result in an individual making unauthorized adjustments to ensure actual cash on hand agrees with the register report. This weakens the reports usefulness as an internal control / reconciliation tool and increases the risk that funds could be diverted without detection.
 - VID administrative staff prepares credit card machine readings to close out the activity for the period. This process allows for the individual receipts to be reconciled to the summary report in order to electronically submit / post the transactions to the bank. There are no security features required to process the credit card closings and VID staff serving as cashiers has access to the equipment.

Recommendations

Appropriate personnel should take corrective action to address the issues noted. Specific recommendations include the following.

- ✓ Attendants should be assigned a cash drawer for their use only. The funds should be secured and access restricted to the individual that the drawer is assigned to. Ideally, the cash register reporting system would provide activity reports for each individual.
- ✓ To the extent possible, the same individuals should not have the ability to receive payments and prepare activity reports. In cases where complete segregation is not feasible (e.g., staff size constraints), appropriate compensating controls should be practiced (e.g., supervisory review, monitoring).
- ✓ A cashier should not be able to prepare computer / cash system reports for activity they process. This ability should be limited to an individual independent of the revenue receipts (e.g., manager). Activity reports should record the cash system information compared to the actual revenue receipts. Any discrepancies should be reflected on the activity report.
- ✓ VID staff should determine the most effective cash register system to use. This assessment should include the available security features to prohibit cashier access to the activity reports (i.e., passwords, cash register keys). In the absence of these security features, compensating controls (e.g., unannounced cash counts compared to system activity) could be performed to help ensure the accuracy of revenue receipts.

Vehicle Impoundment Corrective Action Plan

The following corrective actions have been implemented to address the issues associated with segregation of duties.

- Vehicle Impoundment Division management compiles a “Daily Release Report”, which is compared to the “Transaction Report” and cash register readings. Cashiers make money drops at the end of each shift, but do not prepare the activity reports. Two administrative staff members, who do not serve in a cashiering role, verify the cashier drops and prepare the deposits.

#3 - Efficiency and Effectiveness

Vehicle Impoundment Division activity is administered mainly using a manual process. While cash register systems are used, along with information managed using general MS-Office software (i.e., EXCEL, MS Word), most files and records are handwritten. The following weaknesses were noted related to the efficiency and effectiveness of administering VID activity.

- Revenue receipts are processed using two cash register systems, which impairs efficiency and effectiveness of revenue administration. A single system does not provide the desired capabilities for VID and activity for the two systems is not reconciled to ensure the completeness and accuracy of information.
 - One system was provided and is supported by a vendor. It operates using MS Access database software that is used to maintain impounded vehicle information. In addition, this system includes the pre-programmed VID fee schedule and is used to calculate the amount due when vehicles are released. This system is capable of providing revenue activity reports, but they are not used routinely.
 - The second cash register is used to record the revenue received and to issue a receipt to the client. Cash register reports from this unit are also used to balance to the supporting revenue documentation in order to prepare bank deposits.
- The computerized cashier system containing the activity database is not connected to the network. The inability to easily access information by managers impairs its usefulness as a processing and monitoring tool. Transactions cannot be processed at the cashier station while information is being referenced by another VID staff member. Additionally, information backups are required to be performed on-site at VID for this stand-alone unit.
- Based on the sample of impoundment cases examined, some instances were noted in which inaccurate information likely impaired the effectiveness and efficiency of VID activity administration. These types of issues could result in processing delays or the improper management of transactions (e.g., not identifying the proper owner timely). The following are examples of the types of problems.
 - Several cases were noted in which inaccurate vehicle identification numbers were recorded on VID records. While these are likely clerical errors, they may result in inaccurate information being used initially to determine vehicle ownership. The correction of this type of inaccurate information requires VID staff resources, along with resubmitting information for ownership verification.
 - One case was noted in which the wrecker log did not record the vehicle license number; rather the make of the vehicle was recorded in the space for license information.

Recommendations

Appropriate personnel should take corrective action to address the issues noted. Specific recommendations include the following.

- ✓ VID should attempt to coordinate activity using one cashiering system. This might include investigating the expanded use of the access database system with any necessary upgrades or the purchase of a new system. Ultimately, a comprehensive system should include reporting functions and processing capabilities to promote

accountability and efficiency for the administration of activity. Ideally, the system should be included in a computer network available to authorized users. This would likely allow for a shift of resources from processing to monitoring activities, along with the ability to perform more automated monitoring. The Metro Department of Technology should be consulted for assistance as necessary.

- ✓ The importance of complete and accurate documentation should be emphasized to all individuals. This includes the preparation of forms used to administer activity, as well as, information input into cash register and computer systems.
- ✓ The accuracy and completeness of records should be monitored on a regular basis. This includes ensuring that all transactions are accounted for, all applicable information is provided and that the information is accurate.
- ✓ VID management should implement procedures that provides for adequate documentation of revenue activity. This includes the processing of activity, as well as, ensuring reports present complete and accurate information.
- ✓ Routine supervisory review should be performed to ensure that proper reconciliations are performed. Verification of reconciliations will improve the completeness and accuracy of activity reports. Ultimately this will help ensure the reliability of information for management analysis.

Vehicle Impoundment Corrective Action Plan

The following corrective action has been implemented to address the issues associated with efficiency and effectiveness.

- The “Transaction Report” prepared using the computer database itemizes each release with vehicle information, the staff member who released it and the amount collected or waived.
- The cash register report includes the amount of cash, checks, charges and the total number of releases.
- The cash register readings are compared with the “Transaction Report” to reconcile the cashier database activity with the cash register.

#4 - Policies and Procedures

Several policies and guidelines exist related to Vehicle Impoundment Division activities. For example, Louisville Metro Ordinance §72.060 through §72.064 addresses the towing, charges and release of vehicles. In addition, Kentucky Revised Statute (KRS) §82.630 documents the treatment of unclaimed vehicles. The following weaknesses were noted related to Vehicle Impoundment Division policies and procedures.

- VID owner notification procedures do not strictly comply with KRS. KRS §82.630 requires that the owner and lien holder be contacted if a vehicle is unclaimed within ten business days. VID procedures include sending notification to the owner of a vehicle within ten days of impoundment. The lien holder notice is sent seven days after the owner notification. Based on this procedure, the lien holder notification may not be timely.
 - Based on the sample of auctioned vehicles, there was one case noted where the owner notification letter was not sent within 10 business days and there was no documentation for the delay.
- There are no documented division policies and procedures to guide personnel in the administration and management of towed vehicles or auctions (i.e. fee waiver designations, deposits / drops, inventory, auction revenue process). This increases the risk of non-compliance with intended policies and procedures. This can also lead to inconsistencies and inefficiencies with activity processing.
- The Vehicle Impoundment revenues are deposited in accordance with an armored car service schedule, but do not consider any threshold amount. Best practices for cash management involve scheduled deposits, along with ensuring funds are deposited once a pre-defined amount is received.

Metro cash management policies and procedures require that revenue receipts be deposited when receipts exceed \$1,000 or weekly, whichever occurs first. This policy was implemented after the audit period (February 2006) and no specific requirements for Metro deposits were applicable prior to its introduction. Historically, the Vehicle Impoundment Division had received a waiver with regards to a similar former City of Louisville policy regarding deposits.

Recommendations

Appropriate personnel should take corrective action to address the issues noted. Specific recommendations include the following.

- ✓ The Public Works Vehicle Impoundment Division should develop a written internal policies and procedures manual. This manual should include sufficient detail for each job duty performed, copies of forms used and the policies followed in the processing of towed vehicles and the associated revenue activity. This internal policy and procedures manual should be distributed to all applicable personnel. In addition, training of key personnel will help ensure consistent adherence to the requirements.
- ✓ The Vehicle Impoundment Division policies and procedures manual should apply to all towing, release and auction activity. Ultimately, the division manual should promote compliance with all applicable Louisville Metro ordinances, policies and

procedures, along with Public Works departmental policies. Additionally, any State requirements should also be incorporated into the documented information.

- ✓ The internal policies and procedures should reflect the most current information and be updated periodically. This will help ensure adherence to applicable guidelines, along with promoting efficiency and effectiveness of Vehicle Impoundment Division administration.
- ✓ A formal reconciliation process should be documented in the division policies and procedures. The detailed activity reports should be compared to some type of source documentation (e.g., bank statements, vehicle release and auction receipt forms and Metro financial system). This helps ensure the transactions were processed as intended and reported properly. This also helps strengthen the reliability of the financial statements.
- ✓ Routine supervisory review should be required in the documented policies and procedures. These reviews should be performed to assess the completeness of files and the accuracy of the activity, including adherence to applicable guidelines. These reviews should be documented and signed by the reviewer.
- ✓ The policies should also consider the proper safeguarding of revenue receipts. This includes the preparation of useful monitoring reports, the physical security of funds and the timely submission of deposits.
- ✓ All funds should be deposited in a timely manner. This will help ensure the security of funds, promote timely reporting of activity and optimize investment income for Metro operations.
- ✓ Public Works management should consult with Metro Finance regarding the deposit of revenue receipts in accordance with policies and procedures. The discussions should consider the most effective manner in which to administer the funds and the risks associated with the types of receipts held (i.e., cash, checks). This might involve more frequent armored car service pickups, or possibly an exemption to the policy threshold. Also, deposit requirements documented in Louisville Metro Ordinance §72.062(F) should be complied with. Ultimately, the safeguarding of funds and investment opportunities should be considered.

Vehicle Impoundment Corrective Action Plan

The following corrective actions have been implemented to address the issues associated with policies and procedures.

- Vehicle Impoundment staff are developing a policies and procedures manual for the division.
- Metro Finance provided a documented exemption from a portion of Metro cash management policies and procedures addressing deposit thresholds. The exemption does include specific requirements for Vehicle Impoundment Division revenue management. Metro Finance must be notified of any changes in these procedures.