



UNIVERSITY
OF
LOUISIANA
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**Office of Internal Audit
University of Louisiana Lafayette**

**Office of Transportation Services Assurance Engagement
October 12, 2018**

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TO: Dr. E. Joseph Savoie, President

FROM: 
Jeremy J. Gullory, CIA
Internal Audit Director

DATE: October 12, 2018

SUBJECT: Office of Transportation Services Assurance Engagement

In accordance with the 2018 Internal Audit Plan, the accompanying report presents results of the Office of Internal Audit's review of the Office of Transportation Services. Assistant Internal Auditor Kimberly P. Fontenot led this engagement.

The Office of Internal Audit reviewed the Office of Transportation Services with a focus on business and financial processes, special event parking procedures, bus charter procedures, and the process for administering Holds. The **purpose or objective** of our review was to determine whether proper controls are in place and processes are administered effectively and efficiently. The **scope** and tests centered on the review of FYE17 and nine months of FY18 financial statements, bus charter activity for January through March 2018, review of special event parking procedures, and reports of citations issued and Holds applied and removed January through March 2018.

The **observations**¹ disclose that the following areas need improvement.

1. Ensuring personnel with fund responsibility properly understand and administer their accounts will increase accountability. (Ranking: Low)
2. Utilizing appropriate documentation when providing bus charter services for outside groups would limit the University's risk. (Ranking: Low)

OPINION

Based on the above observations, controls in the Office of Transportation Services are **Effective with opportunity for improvement**² because the control environment is adequate but some exceptions exist.

MITIGATION PLANS

¹ **Observations** are categorized into High, Moderate, and Low rankings based on the risks associated with specific control or process failures. See <http://internalaudit.louisiana.edu/sites/auditor/files/OpinionResultMethodology.pdf>

² **Effective with opportunity for improvement**
See <http://internalaudit.louisiana.edu/sites/auditor/files/OpinionResultMethodology.pdf>

The **mitigation plan(s)** established or documented in this report should effectively enhance existing controls or will result in new controls. These respective mitigation plans address identified risks described in this report, as well as, add value to the University. University administration makes calculated and reasoned decisions regarding the amount and type of risk it must accept. No university process or procedure is free of risk. Accordingly, every mitigation plan is designed to minimize all inherent and external risk to the most reasonable level possible. However, risk and the related impact of its occurrence cannot completely be removed from processes or procedures. University administration has agreed to implement the mitigation plans as described herein and have attested to this agreement by signing the Executive Memo.

The proceeding report and related work are designed to improve internal controls and processes. Thus, we hope our results and conclusions are valuable to the University. Documentation is on file to support the content of the report.

BACKGROUND

The Office of Transportation Services (OTS) operates all parking and transit operations on campus. The OTS is responsible for the following services: the administration of permit parking for students, faculty, and staff in 31 parking zones; the issuance of citations for parking code violations and corresponding Holds; the administration of event parking for departments and community events; the administration of visitor parking in the Girard Park parking tower; the operation of a bus transit system linking Cajun Field to the Main Campus; and the operation of bus charter services for University groups and other groups that help fulfill the University's mission.

METHODOLOGY

To accomplish the objectives we reviewed various documents, including but not limited to, bus charter invoices, reports of student parking holds, and user access to the hold screen in BANNER, and spoke with various University personnel within the Office of Transportation Services and other departments.

OBSERVATIONS

1. *Ensuring personnel with fund responsibility properly understand and administer their accounts will increase accountability. (Ranking: Low)*

Each year, the Office of Transportation Services operates fee-based parking in various lots on campus during two community events, Festivals Acadians et Creole (Festival) and Mardi Gras. Funds collected for these events are held in separate accounts. The funds collected for Festival are held in an account titled "Special Event Parking Fees", while the funds collected for Mardi Gras are held in an account titled "Athletic Facility Rentals".

According to both the OTS Director and OTS Business Manager, the funds for Festival parking remain with OTS, and the funds for Mardi Gras parking are transferred to the Athletics Department at year end. However, funds for fiscal years 2017 and 2018 remained in the Athletic Facility Rentals account and were not transferred. Currently, no definitive, documented guidance controlling the accounting/transfer of these funds exists. According to the University's Comptroller, in past years, the funds were transferred to Athletics as a way to assist in funding Athletics; however, the transfer has not occurred in several years.

According to the Financial Services accountant responsible for the OTS funds, she did not transfer the funds because she was unaware the funds should have been transferred. It is likely that lack of guidance contributed to the Financial Services accountant being unaware the funds should have been transferred.

Further, personnel within the Office of Transportation Services were unaware that the transfer no longer occurs, and has not occurred in several years.

Mitigation Plan

The Office of Transportation Services will work with Financial Services to gain a clear understanding of the purpose of the accounts and funds under their control. In addition, guidance will be developed to ensure the transfers between funds are conducted with proper oversight and pre-approvals. This guidance will include adequate notification to personnel within the departments if a transfer is no longer necessary.

2. Utilizing appropriate documentation when providing charter bus services for outside groups would limit the University's risk. (Ranking: Low)

The OTS provides charter bus services to University groups. Occasionally, the OTS also provides charter bus services to external groups when the purpose of the trip is in fulfillment of the University's mission. For all bus charters (internal and external parties) a written estimate/quote for services is utilized specifying the details of the trip and cancellation policy. An official contract including language to limit the University's liability risk is not utilized. It is likely a contract including language addressing any liability on the part of the University is appropriate, specifically for charters with external parties.

Mitigation Plan

The OTS will work with the Office of Risk Management and other appropriate departments to define the necessary items a formalized written contract should include, and to determine the extent in which utilizing such a contract limits the University's risk exposure.