



Audit Recommendations Status Report as of December 31, 2016





LCPA Audit Recommendations Status Report As of December 31, 2016



To: The Honorable Linda Doggett, Lee County Clerk of the Circuit Court & Comptroller

From: Tim Parks, Chief Internal Audit Officer/Inspector General

Internal Audit/Inspector General Department

Date: January 4, 2017

Re: Lee County Port Authority: Audit Recommendations Status as of 12/31/16

Our office has completed its LCPA: Audit Recommendations Status Report as of 12/31/16, which reflects the implementation status of all outstanding audit report recommendations for the Lee County Port Authority as of December 31, 2016. The report fulfills the IA/IG Department's accountability for reporting on issues through their resolution.

The follow-up on recommendation status was conducted in January 2017. We discussed the status of the audit recommendations with the department personnel responsible for implementing the audit recommendations.

The follow-up covered the audit of LCPA Off-Airport Parking Operations for which a report was issued in August 2016. A summary of the recommendation status is presented in the heading of the attached report.

The follow-up report contains information regarding each outstanding recommendation, including recommendation status, management actions taken, and Internal Audit Follow Up Notes, which indicate the need to perform a follow-up audit. The follow-up audit will be included on the 2018 Annual Audit Plan. We wish to express our appreciation for the cooperation and assistance provided us by the Finance Department during this review.

Should you have any questions, please do not hesitate to contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "Tim Parks".

Tim Parks, CIA, CIG

TJP/mep

**Lee County Port Authority
Audit Recommendations Status Report
As of 12/31/16**

**Off-Airport Parking Operations
(Project 2016.05, Issued August 2, 2016)**

Three original recommendations - all have been implemented; two require a follow-up audit.

Recommendation: Perform a Process Review

Issue	Recommendation	Original Management Response
Various - see audit report.	Perform a process review for potential updates to the processes and/or Agreements, to include: reporting requirements, insurance, format for the Monthly Statement of Gross Revenue, accounting records requirements, and inclusion of Exhibits.	We will take steps to enforce the insurance requirements of Section 7, Item B. of the agreements concerning auto liability, including changing the Acord form. We will contact the permittees and remind them of their contractual duty to complete and update Exhibit A (Permittee's Courtesy Vehicles). We will review other options for charging permittees to do business at the Airport.
Estimated Implementation Date	Revised Implementation Date	Status
11/30/2016	N/A	Implemented - pending verification at follow-up audit
Last Status Update	Current Recommendation Action - Management	Internal Audit Follow Up Notes
9/30/16: Requested insurance certificates from noncompliant providers; one has been received. The Agreement form was changed to reflect recent ACORD changes, and will be used for new off-airport parking company permits. Requested and received updated Exhibits to the Agreements from the noncompliant providers. There are no immediate plans to change the business structure, but may consider a rate change in the future.	Permittees have provided insurance certificates; use of "scheduled autos" was determined acceptable by Risk Management. This will be covered in the new standard permit agreement to which all permittees will be moved in the near future.	At time of follow-up audit, confirm use of new standard permit agreement with all off-airport parking permittees.

Recommendation: Review Records Requirements and Reporting Mechanisms

Issue	Recommendation	Original Management Response
Various - see audit report.	Consider adding record requirements and Exhibits to the Agreements to ensure adequate information is available for audit of the permittees, considering the third-party on-line reservation arrangements. Take steps to ensure monthly courtesy vehicle registration fees are billed accurately.	We understand there was a scope limitation during your review in verifying gross revenue, primarily due to third party arrangements. As such we will contact the permittees to restate their numbers. The Operations Department will coordinate with Finance for more timely and accurate billing, throughout the year, of courtesy vehicles.
Estimated Implementation Date	Revised Implementation Date	Status
11/30/2016	N/A	Implemented - pending verification at follow-up audit
Last Status Update	Current Recommendation Action - Management	Internal Audit Follow Up Notes
9/30/16: Received a portion of the requested restated Monthly Statements of Gross Revenues from permittees, which are currently under review. Additional payment was received, but the total amounts due are not yet determined. Completed Exhibit A was forwarded to Operations Department.	All additional payments due for restated Monthly Statements of Gross Revenues have been received from the permittees. The permittees have been notified to maintain proper records for third party revenues and have acknowledge they will do so.	Perform a follow-up audit of permittee records to confirm compliance will proper gross revenue reporting.