

August 30, 2012

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Associate Vice Chancellor
0602

ROBERT HOLDEN
Director of Auxiliary Business Services
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***Subject: Health Sciences Enterprise Parking Operations
Audit and Management Advisory Services Audit Project 2012-10***

The final audit report for Health Sciences Enterprise Parking Operations, Audit Report 2012-10, is attached. We would like to thank all Health Sciences and Auxiliary Services personnel for their cooperation and assistance during the audit.

Because we were able to reach agreement regarding corrective actions to be taken in response to the audit recommendations, a formal response to the report is not requested.

The findings included in this report will be added to our follow-up system. While management corrective actions have been included in the audit report, we may determine that additional audit procedures to validate the actions agreed to or implemented are warranted. We will contact you to schedule a review of the corrective actions, and will advise you when the findings are closed.

UC wide policy requires that all draft audit reports, both printed and electronic, be destroyed after the final report is issued. Because draft reports can contain sensitive information, please either return these documents to AMAS personnel or destroy them at this time.

Terri Buchanan
Interim Assistant Vice Chancellor
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Attachment

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AUDIT & MANAGEMENT ADVISORY SERVICES



University of California
San Diego

**Health Sciences Enterprise
Parking Operations
July 2012**

Performed By:

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Approved By:

Terri Buchanan, Interim Assistant Vice Chancellor

Project Number: 2012-10

***Health Sciences Enterprise Parking Operations
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I. Background

Audit & Management Advisory Services (AMAS) has completed a review of UC San Diego (UCSD) Health Sciences (Health Sciences) parking operations as a part of the approved audit plan for Fiscal Year 2011-12. This report summarizes the results of our review.

The UCSD Health Sciences enterprise is comprised of the Health System (UCSDHS), the School of Medicine (SOM), and the Skaggs School of Pharmacy and Pharmaceutical Sciences (SSPPS). The UCSDHS includes the Medical Centers in Hillcrest and La Jolla (Thornton Hospital, Sulpizio Cardiovascular Center, Moores Cancer Center, and Shiley Eye Center), and adjacent clinical care facilities.

Transportation Services (TS) is a UCSD auxiliary enterprise that is responsible for managing UCSD parking facilities, campus shuttle operations, and alternative commuting programs. Organizationally, TS reports to the Assistant Vice Chancellor of Auxiliary & Plant Services (APS), and ultimately to the Vice Chancellor of Resource Management & Planning (RMP). Revenues received from parking fees, permits and citations fund TS operations which include parking structure/lot monitoring and maintenance, operating an extensive shuttle system, and collaborating with the City of San Diego to provide bus services to commuters. TS revenue is also used to fund the debt service on parking facilities.

In 2007, Campus Planning and TS provided an assessment on the parking and transportation needs of the campus community through 2013. Based on projected population growth and anticipated parking demands, the report included recommendations to the Transportation Policy Committee that addressed actions needed to effectively manage future parking supply and demand. A November 2011 parking study indicated that the campus has approximately 2,550 vacant spaces at peak period or a vacancy rate of 19%. The current parking supply policy is to maintain a lower vacancy rate of at least 5% during peak parking periods. At that time, Health Sciences management believed that projected parking spaces adjacent to Health Sciences facilities would not be adequate.

The Health Sciences enterprise has added a number of new facilities over the past several years¹, some of which have displaced parking spaces, resulting in reduced parking availability around core Health Sciences buildings. Per campus policy, a standard per space displaced parking fee is charged to the appropriate Vice Chancellor for new buildings that are not constructed using state funds. Health Sciences has paid \$1.5

¹ Leightag Biomedical Research Building (2003); The Skaggs School of Pharmacy and Pharmaceutical Sciences (2006); Biomedical Research Facility II (2010); the East Campus Office Building (2011) and the Medical Education and Telemedicine Center (2011).

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million for Fiscal Years 2001-02 through 2010-11 for displaced parking fees related to new facility construction.

Health Sciences graduate and undergraduate student parking was reviewed by the Accreditation Council for Graduate Medical Education (ACGME)² and Liaison Committee on Medical Education (LCME)³ in 2010. Recommendations were made to campus management to identify alternative transportation/parking solutions for students that would help meet daily academic and patient care schedules when travel between locations is required.

UCSDHS management considers patient and visitor parking a critical component of the patient and visitor clinical care experience. To achieve a reasonable solution for all parties, TS and UCSDHS management entered into a Memorandum of Understanding related to the management of patient and visitor parking operations at UC San Diego Medical Centers on September 30, 2011. The governing principles included in the agreement revolved around financial provisions to preserve revenues; protect available parking in Medical Center patient and visitor areas; and provide appropriate parking services based on patient/visitor capabilities.

In October of 2011, a pay-on-exit system was installed in patient and visitor parking lots adjacent to Thornton Hospital and the Moores Cancer Center. In January of 2012, a new parking structure was erected at the Health Sciences East Campus Complex (ECC) to improve parking access for patients, visitors, faculty and staff that utilize or provide services to the expanding Health Sciences academic and clinical facilities.

II. Audit Objectives, Scope, and Procedures

The objectives of our review were to determine whether adequate financial information related to UCSDHS parking operations was available to Health Sciences management to facilitate decision-making about parking operations; and whether parking operations were designed to address Health Sciences staff, student, faculty, and patient and visitor needs.

We performed the following audit procedures to achieve the project objectives:

- Reviewed the current campus displaced parking assessment;
- Interviewed the UCSDHS Patient Advocate representative;
- Interviewed the TS Interim Director and Associate Director;
- Interviewed the APS Assistant Vice Chancellor and the APS Director of Financial Operations;

² The Council is responsible for the Accreditation of post-MD medical training programs within the United States.

³ A nationally recognized accrediting authority for medical education programs leading to the MD degree in U.S. and Canadian medical schools.

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- Interviewed the UCSDHS Chief Financial Officer and the Health Sciences Assistant Vice Chancellor;
- Interviewed the Associate Dean of Graduate and Associate Director of Undergraduate Medical Education;
- Interviewed the Associate Vice Chancellor of Health Sciences;
- Reviewed Physical and Community Planning project details relating to the East Campus parking facilities;
- Evaluated the Memorandum of Understanding (MOU) between the UCSD Medical Centers and TS for patient and visitor parking operations, and the Rates and Practice Agreement for Displaced Parking;
- Reviewed APS Financial Report Summaries for UCSDHS Parking Operations; and
- Analyzed financial reports and recharges processed for parking validations during the period November 2011, to January 2012.

A comprehensive review of all TS financial reporting processes was not completed within the scope of this project.

III. Conclusion

Based on the review procedures conducted, we concluded that UCSDHS parking services operations were based on a cooperative effort to provide improved patient and visitor parking for the East Campus facilities, while ensuring that parking revenue projections were preserved at the Campus Standard⁴. It was apparent that the rapport between campus and UCSDHS representatives on parking issues has improved significantly within the past year. However, we noted that Health Sciences could further enhance communication with respect to parking operations affecting faculty, staff and students, with a specific focus on implementing the recommendations made by the ACGME and LCME to assist students in Graduate and Undergraduate Medical Education Programs.

We also noted that certain elements of TS financial reporting and reconciliation activities could be improved to provide more accurate reporting of UCSDHS parking validations.

These issues are discussed in greater detail in the remainder of this report.

IV. Observations and Management Corrective Actions

A. Health Sciences – Communication on Parking Issues

UCSDHS management did not agree with all solutions to address ACGME and LCME 2010 student parking availability suggested by TS, based on the

⁴ The Campus standard is an automated or unstaffed model and the prevailing rate for pay-for-use parking on the University's La Jolla campus.

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potential impact to the Hillcrest campus. This could be due in part to inadequate communication between Health Sciences and UCSDHS managements.

During our review, we were advised of a general concern of Health Sciences staff, students and faculty about the absence of available parking around the Health Sciences Professional Schools campus at peak hours during the business day. Recently completed and planned construction projects have /will have an impact on parking availability as spaces are displaced by those projects, which are discussed and approved by the appropriate campus committees, which include Health Sciences representatives.

Additional concerns have been raised with regards to medical education accreditation. The UCSD School of Medicine Graduate Medical Education (GME) offers 61 ACGME accredited Residency programs and one combined residency program for a total of 62 programs with over 650 intern, resident and fellow trainees. The UCSD Office of Undergraduate Medical Education (UGME) ensures the provision of quality medical education for students enrolled in the UCSD School of Medicine. Both the LCME and ACGME raised concerns regarding medical student access to parking as formal items during the 2010 accreditation review, which included:

- Parking availability near the SOM.
- Parking availability at the Hillcrest Medical Center for graduate student's clinic rounds and on-call activities.
- Student safety while walking to and from off campus parking lots.

UCSD UGME and GME parking issues were not cited in the final accreditation report for the 2010 review, due to the activities occurring at that time to address the parking issues. TS has since suggested potential solutions such as temporary special parking permits for residents; a pilot program for third and fourth year student residents with special parking adjacent to on-campus housing; evening shuttle services; and the construction of the new East Campus parking facility to alleviate parking displacement near the School of Medicine Campus. However, UCSDHS management did not agree that solutions impacting parking adjacent to hospital facilities would be adequate.

In September 2012 the ACGME will conduct another review. At that time, GME would like to have all concerns related to student parking addressed in order to mitigate the risk of possible citation.

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Management Corrective Action:

Health Sciences will convene a meeting with representatives from the UCSDHS, Health Sciences and TS to identify potential solutions to address accreditation concerns regarding student parking in preparation for the September 2012 ACGME review.

B. TS Financial Reporting and Reconciliation

Two reports that included pay-on-exit machine activity in patient visitor parking areas contained inconsistent financial information on parking validation activity. In addition, a reconciliation process for recharge activity was not in place.

The campus recharge system is utilized to charge campus and UCSDHS departments for services rendered using a department index number in the Integrated Financial Information System (IFIS). TS recharged UCSDHS departments for the difference between routine campus parking fees and the reduced fee charged to UCSDHS patients and visitors that received parking validations. Validated parking tickets were tracked through the pay-on-exit machines in each parking lot and tied to a validation number which corresponded to a department index number. TS personnel obtained parking validation expenses from a monthly report and manually entered the differential fees into the APS recharge application that provided an automatic batch feed into IFIS.

AMAS reconciled pay-on-exit reports, financial summary reports, and online IFIS postings for November 2011 through January 2012 and found minor discrepancies between the total amounts reflected in the equipment source data and the actual amount recharged to department indexes. During the detailed review, we noted that a reconciliation process was not in place to verify the accuracy of recharge transactions. The lack of a reconciliation process may lead to charges being improperly represented and Health Sciences may be over or under charged for parking subsidies.

Management Corrective Actions:

1. TS management has identified the pay-on-exit report that includes complete information, which will ensure that future financial summary reports provided to the UCSDHS Chief Financial Officer are accurate. TS will continue to work with the pay-on-exit system vendor to address any discrepancies indentified in other machine validation reports.

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2. TS Management will implement a reconciliation process for recharge activity to confirm that charges are accurately entered and posted as appropriate.