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OFFICE OF THE INTERNAL AUDITOR

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**Internal Audit Report 95-08  
Transportation Inspection Program**

**Introduction.** The Transportation Inspection Program regulates and enforces the taxi industry, including taxicabs, limousines, and vehicles for hire. This program operates under the direction of the Anchorage Transportation Commission (Commission). The Commission is made up of five members who are appointed by the Mayor and confirmed by the Assembly. The staff of the Transportation Inspection Office consists of a Transportation Inspector (Inspector), an office associate, and two part-time enforcement officers.

This Program is funded by fees charged to the taxi industry. The major fees are: permits fees, dispatch service license fees, and chauffeur license fees. A total of \$174,365 was collected during 1994. A permit is required to operate a taxicab, limousine, or vehicle for hire. This permit authorizes the permit holder to operate only one vehicle. During 1994 there were 158 taxicab permits, 20 limousine permits, and 10 vehicle for hire permits issued or renewed. Chauffeur licenses are required to operate taxicabs, limousines, and vehicles for hire. During 1994, there were approximately 600 chauffeur licenses issued or renewed. All taxicab permit

holders are required to subscribe to a dispatch service. During 1994, there were four dispatch service licenses renewed.

**Scope.** Our audit objective was to perform a management audit of the Transportation Inspection Program. Accordingly, the audit included tests of records and such other procedures as we considered necessary in the circumstances. The audit period was January 1994 through February 1995. The audit was requested by the Assembly.

**Overall Evaluation.** Management of the Transportation Inspection Program required improvement. Anchorage Municipal Code (AMC) Title 11 required revision to clarify duties, responsibilities and functional placement of the program. A new Drug and Alcohol Testing Program had not been implemented. Many of the required functions were not properly performed.

## **FINDINGS AND RECOMMENDATIONS**

### **1. AMC Title 11 Required Clarification.**

- a. Finding.** Some of the provisions of AMC Title 11 required clarification. Of primary concern was the lack of clarity of the relationship between the Commission and the Inspector and the organizational placement of the Transportation Inspection Program. AMC section 11.10.170 states that the Inspector shall act as the recording secretary to the Commission and shall perform those

ministerial duties of the Commission which are delegated to him by the Commission. Further, AMC 11.10.030(D) states the Chairman of the Commission shall review certain decisions or actions of the Inspector. However, the Inspector is appointed by the Mayor and confirmed by the Assembly and the Inspector's budget is included under the Police Department. In two recent letters, the Municipal Attorney's Office has opined that the Inspector reports only to the Commission and that the Commission reports to the Assembly, inferring the Transportation Inspection Program is an Assembly function.

Other areas requiring clarification are:

- 1) 11.10.130 Penalties and remedies. This section prescribes the penalties and fines for violation of transportation regulations. However, there were no provisions such as suspension of permits or other penalties for the enforcement and collection of the penalties and fines. In addition, the AMC reference in subparagraph A (provisions of Chapters 11.50-11.60) are in error since they pertain to the Port of Anchorage and the Municipal Airport.
- 2) 11.20.030 Outstanding taxicab permits. This section allows the Commission to issue additional taxicab permits. However, the section lacks clear, concrete criteria by which to determine if

and how many additional permits are needed. The basic criteria provided is public convenience and necessity.

- 3) 11.20.035 Limited taxicab permits. This section provides for the Commission to issue limited taxicab permits. However, there are no procedures prescribing how the permits will be issued or what the permits should cost.
- 4) 11.30.010 Chauffeur license required. This section requires Municipal bus drivers to obtain a chauffeur license from the Transportation Inspection Office. This requirement is no longer valid according to Transit Department personnel.
- 5) 11.10.140 Renewal of permit or license. This section requires annual renewal of a permit or dispatch service license. However, the section does not include what requirements have to be met to receive renewal of the license.

In addition, the Municipal Attorney's Office expressed the following concerns in a March 8, 1995 memo to the Mayor on the clarity of AMC Title 11:

- 1) AMC 11.10.010 Definition of "Limited Permit". A limited permit is excluded from the definition of a permit. However, it is not defined in any other section.

- 2) AMC 11.10.030(B) Definition of "Quality of Services". This section requires the Commission to investigate the quality of service rendered by taxicabs, limousines, and vehicles for hire. However, a definition of "quality of service" was not found.
- 3) AMC 11.10.085 Drug and Alcohol Testing. It is not clear whether these testing procedures comply with Federal Regulations. Further, "reasonable cause" was not defined although testing is to be done when there is "reasonable cause".
- 4) AMC 11.10.110(B) Definition of "Contrary to the Public Safety and Welfare". The Inspector is required to determine whether a citation demonstrates use of a permit "contrary to the public safety and welfare". A definition for this was not found in AMC Title 11. Additionally, once the Inspector determines that the permit has been used "contrary to the public safety and welfare", the Inspector is unable to revoke the permit until the third or fourth violation within twelve consecutive months.
- 5) AMC 11.20.020(F) and 11.20.030 Issuance of Permit. The provisions of 11.20.020 allows the Commission to issue a taxicab permit if the applicant complies with subsections 11.20.020(B)-11.20.020(E). However, it is unclear if this is in addition to or in lieu of the auction provisions of 11.20.030(D).

6) AMC 11.10.100(C) Definition of Rehabilitated. This section refers to a chauffeur's license being "rehabilitated" but does not define this.

b. **Recommendation.** The Inspector and the Commission should review Title 11 in detail. They should ensure the information contained in this Title is clear and meets the intent of the program. Those areas which are not clear or may open the Municipality to potential lawsuits should be rewritten to eliminate that potential. Once this process has been completed and approved by the Commission, it should be passed on to the Assembly for approval.

c. **Management Comments.** Management concurred and stated, "AMC Title 11 will be reviewed and amendments will be drafted and sent to the Assembly for approval."

d. **Evaluation of Management Comments.** Management comments were responsive to the audit finding and recommendation.

## 2. **Drug and Alcohol Testing Program Not Implemented.**

a. **Finding.** A Drug and Alcohol Testing Program had not been implemented although this was required by the AMC. The testing program required initial chauffeur applicant drug screening and drug and alcohol testing for random and reasonable cause, post-accident,

and post-citation. The cost for initial drug screening is to be paid by the applicant for the chauffeur license. The direct operational costs for all other drug and alcohol testing is to be paid by the permit holders through an increase in their annual permit renewal fee. This requirement was added to the AMC in February 1994, with an effective date of May 1994. However, as of February 1995, the design, cost and fee determination for this testing program had not been submitted to the Assembly for approval as required prior to implementation of the testing program. Further, should the testing program be started before 1996, funds have not been budgeted to cover the direct operational costs of the program which are to be paid through an increase in permit fees.

- b. **Recommendation.** The Drug and Alcohol Testing Program should be implemented as soon as possible. In addition, the operating budget should be revised to include the revenue and expenses if the program is implemented during 1995.
- c. **Management Comments.** Management concurred and stated, "Efforts have been made to implement this Testing Program. Title 11 states that the costs for the program are to be paid through an increase in the annual permit renewal fee. Therefore, to implement the program during the year requires supplemental funds as permit fees have already been collected. We are working with OMB to achieve this. Once the funding has been established, then the design, cost and

fee determination can be submitted to the Assembly for approval and then the program can be implemented."

- d. **Evaluation of Management Comments.** Management comments were responsive to the audit finding and recommendation.

3. **Transportation Inspection Office Not Staffed Adequately to Monitor Required Drug and Alcohol Testing Program.**

- a. **Finding.** In our opinion, the Transportation Inspection Office is not sufficiently staffed to adequately administer and monitor the Drug and Alcohol Testing Program once it is in operation. The regulations approved by the Commission require the Inspector to schedule annual random drug testing for at least fifty percent of all licensed chauffeurs and annual random alcohol testing for at least twenty-five percent of all licensed chauffeurs. This would equate to approximately 450 random tests based on the 1994 estimate of total chauffeur licenses. This is in addition to the required scheduling for post-accident and post-citation testing and required new applicant testing. Further, the results of the testing must be monitored by the Inspector since a positive test is grounds for the denial or revocation of a chauffeur's license.

Our audit of the Transportation Inspection Program revealed many instances of non-compliance with AMC requirements. The Inspector



indicated that the major reason for not being in compliance was lack of staff.

- b. **Recommendation.** The Inspector should perform an analysis of the total work load that the Transportation Inspection Office is responsible for versus the current staffing and request additional staff as necessary.
- c. **Management Comments.** Management concurred and stated, "Action will be taken to obtain additional staff for the program."
- d. **Evaluation of Management Comments.** Management comments were responsive to the audit finding and recommendation.

4. **No System to Summarize Complaints, Citations, and Convictions.**

- a. **Finding.** A system had not been implemented to summarize complaints, citations and convictions for each permit holder as required by the AMC. AMC 11.10.055 requires the Commission, by regulation, to establish a daily log to record all complaints and civil and criminal citations registered against chauffeurs of taxicabs, limousines and vehicles for hire, or against the condition of a taxicab, limousine or vehicle for hire. Further, these regulations are to require dispatch companies to also establish a similar log. The intent of the AMC was to make permit holders accountable for the complaints,

citations and convictions issued to chauffeurs and vehicles operating under their permits. In addition, this information was to be used by the Commission in their annual review of permit renewals. This requirement was added to the AMC in February 1994, with an effective date of May 1994. However, as of February 1995, regulations had not been written and nothing had been implemented. Permits were renewed for 1995 by the Transportation Inspection Office without review and approval of the Commission.

- b. **Recommendation.** The Commission should ensure regulations are written and a system is implemented to summarize complaints, citations and convictions as required by the AMC. This should be implemented as soon as possible to be available for the permit renewal reviews for 1996.
  
- c. **Management Comments.** Management concurred and stated, "A system is now in place to summarize complaints and citations issued against permit holders. Further, we plan to require dispatch services to monthly provide complaints received. This information will be provided to the Commission in their review of permit renewals for 1996."
  
- d. **Evaluation of Management Comments.** Management comments were responsive to the audit finding and recommendation.

5. **Documentation Not Found For Notices.**

a. **Finding.** The Inspector had not prescribed the manner in which specific notices were to be posted in taxicabs limousines, and vehicles for hire. AMC Title 11 requires a variety of items that must be posted inside and/or outside the vehicles as follows:

- Telephone number for filing a complaint
- Taxicab rates
- Insurance liability rates
- Vehicle for hire rates
- Chauffeur license
- Notice of taximeter operation

Unless the requirement is clearly communicated to the permit holders the information may not be uniformly posted as prescribed by the AMC.

In addition, AMC 11.10.055 required the Commission, by regulation, to establish notices to be placed in vehicles for the telephone numbers required for the filing of complaints.

b. **Recommendation.** The Inspector should prescribe the manner by which the above requirements should be posted in vehicles. This should be done in writing, and provided to all permit holders to ensure

all vehicles are correctly posting this information. Further, future vehicle inspections should include the proper posting of notices. The Commission should establish regulations as required.

c. **Management Comments.** Management concurred and stated, "The manner by which notices should be posted will be put in writing and provided to all permit holders. Further, these postings will be verified whenever vehicles are inspected."

d. **Evaluation of Management Comments.** Management comments were responsive to the audit finding and recommendation.

6. **Lists Maintained by the Transportation Inspection Office Not in Compliance with AMC.**

a. **Finding.** The lists maintained by the Transportation Inspection Office were not in compliance with the AMC. These lists included individuals interested in receiving limited permits. The AMC stipulates that a list should be maintained for those individuals wanting a new taxicab permit and does not apply to those wanting limited permits.

b. **Recommendation.** The Inspector should ensure lists maintained are in compliance with the AMC. Lists should only be maintained for those interested in new taxicab permits and not limited permits.

Further, \$100 should be charged for anyone requesting to be placed on the new taxicab permit list. The Transportation Inspection Office should notify, in writing, all those who have signed the list for limited permits that the list is not valid.

- c. **Management Comments.** Management concurred and stated, "The lists are no longer kept or valid. The only list which will be maintained in the future is a list of those interested in new taxicab permits. Those wanting to be on the new list will be required to complete an application and pay an annual fee of \$100."
- d. **Evaluation of Management Comments.** Management comments were responsive to the audit finding and recommendation.

7. **Vehicle Inspection Contract Not Adequately Administered.**

- a. **Finding.** The Inspector did not adequately administer the Vehicle Inspection contract with Cline's Texaco (Contractor). This contract was for the bi-annual inspection of vehicles operating under permits and was intended to ensure only vehicles which are in a safe and clean condition and are being operated. Our review revealed the following:
  - 1) Problems with Contractor inspections discovered by the Inspector were not documented nor communicated to the Contractor in writing. Instead, the Inspector would verbally

advise the Contractor that he was sending a vehicle back due to a problem.

- 2) Vehicle Inspection Checklists were being accepted by the Inspector although all requirements were not met. Our sample of 43 Vehicle Inspection Checklists revealed that 58% were not signed by the mechanic's supervisor as required; 23% had the same signature for the mechanic and the mechanic's supervisor; and 12% did not have "Cline's Texaco" stamped as the authorized organization. The lack of authorized signatures could question the validity of the inspection.
- 3) The Contractor was not required to notify the Transportation Inspection Office when a vehicle was placed out of service by the Contractor.

Failure to document Contractor deficiencies makes it difficult to evaluate Contractor performance when the contract comes up for renewal. In addition, the failure to notify the Transportation Inspection Office of a vehicle placed out of service allows the opportunity for the vehicle to continue to operate even though the vehicle was determined to be unsafe by the Contractor without monitoring by the Inspector.

- b. **Recommendation.** Contract administration of the Cline's Texaco contract should be improved. Deficiencies in Contractor performance should be documented and also provided in writing to the Contractor. The Contractor should be required to notify the Transportation Inspection Office when a vehicle is placed out of service. The Inspector should not accept Vehicle Inspection Checklists that do not meet all the requirements as stipulated in the contract.
  
- c. **Management Comments.** Management concurred and stated, "Vehicle Inspection Checklists will be reviewed to ensure they are properly signed by the Contractor as required by the contract. Problems with inspections performed by the Contractor will be documented. Further, the Contractor will be requested to notify the Transportation Inspection Office when a vehicle is placed out of service."
  
- d. **Evaluation of Management Comments.** Management comments were responsive to the audit finding and recommendation.

8. **Vehicle Inspections Not Always in Compliance with AMC and Anchorage Municipal Code of Regulations (AMCR).**

- a. **Finding.** Vehicle inspections performed by the Contractor were not always performed in compliance with AMC and AMCR requirements. Our review revealed the following:

- 1) The contract for vehicle inspections was not in compliance with AMC 11.10.080 requirements. The contract required inspections to be scheduled at the vehicle's registration/emission test due date and then six months later instead of on a random basis as required by the AMC.
- 2) Vehicle Inspection Checklists were accepted by the Inspector although the checklists contained safety violations of AMCR 11.10.004 which had not been repaired.
- 3) Vehicles were not always inspected twice a year as required by AMC 11.10.080. Our review of 22 permits revealed 2 permits (9%) which lacked the second vehicle inspection. Further, another permit had a change of vehicle which did not have a vehicle inspection until six weeks after it was placed in service. AMC 11.10.080 states no vehicle may be operated until it has been inspected.
- 4) Taximeter certifications were not found for four vehicles that had Vehicle Inspection Checklists completed. Vehicle Inspection Checklists were completed by Cline's Texaco while taximeters were certified by the Inspector. Taximeters were certified to ensure the rates charged were accurate.



The failure to perform vehicle inspections in compliance with AMC and AMCR requirements could result in unsafe vehicles operating and the overcharging of rates to customers.

b. **Recommendations.**

- 1) The Inspector should ensure vehicle inspections are in compliance with AMC and AMCR requirements. The AMC requirement for vehicle inspections to be performed on a random basis should be reviewed by the Inspector and the Commission. If it is determined that the inspections do not need to be performed on a random basis, a change to the AMC should be proposed deleting this requirement. If the random testing is required, the contract with Cline's Texaco should be revised.
- 2) The Inspector should review Vehicle Inspection Checklists completed and turned in to his office. This review should ensure that all noted deficiencies are corrected. Further, monitoring should be performed to ensure that all vehicles are inspected twice a year as required or taken out of service until the required inspections are performed.
- 3) Taximeter certification should be performed as required. Documentation should be maintained to substantiate the

certification. Taxicabs failing to have their taximeters certified should be placed out of service by the Inspector until such time as they are certified.

- c. **Management Comments.** Management concurred and stated, "The requirement for random vehicle inspections will be reviewed by the Commission. If the Commission determines that inspections need not be random an amendment to Title 11 will be drafted and forwarded to the Assembly for approval.

"Vehicle Inspection Checklists will only be accepted when all items have been signed off by the Contractor.

"The due date for vehicle inspections will be monitored more closely in the future. Those vehicles who have not had inspections timely will be placed out of service until inspections have been completed."

- d. **Evaluation of Management Comments.** Management comments were responsive to the audit finding and recommendation.

9. **Adequate Documentation Not Maintained for Taximeter Certifications.**

- a. **Finding.** The Transportation Inspection Office did not maintain adequate documentation to substantiate required taximeter certifications. Taximeter certifications were recorded on a log.

However, these logs did not specify the date the certification was performed and were not available prior to April 1994. As a result, we were not always able to determine whether the required taximeter certification was performed.

- b. **Recommendation.** The Inspector should ensure adequate documentation is maintained to substantiate taximeter certifications were performed as required.
- c. **Management Comments.** Management concurred and stated, "Documentation of taximeter certifications will be improved. This documentation will be made in the permit file."
- d. **Evaluation of Management Comments.** Management comments were responsive to the audit finding and recommendation.

10. **System Not in Place to Monitor Drivers of Vehicles.**

- a. **Finding.** A system had not been implemented to adequately monitor whether permit holders and dispatch services utilized only properly licensed chauffeurs. AMC 11.30.010 states that no person may operate a taxicab, limousine or vehicle for hire without first obtaining a chauffeur license. Currently, the only method used to detect unlicensed drivers was through an on-street inspection.

- b. **Recommendation.** The Inspector should ensure only properly licensed chauffeurs are operating taxicabs, limousines, and vehicles for hire. One way to do this would be to periodically review the dispatch services' records, verifying that all drivers for a particular day had valid chauffeur licenses on file.
  
- c. **Management Comments.** Management concurred and stated, "A system has been implemented. Randomly, dispatch services are requested to provide a list of drivers for the prior day. These lists are compared to chauffeur license files to verify all drivers are properly licensed."
  
- d. **Evaluation of Management Comments.** Management comments were responsive to the audit finding and recommendation.

11. **Permit Renewals Not Always in Compliance with AMC.**

- a. **Finding.** Permits were renewed without ensuring that all AMC requirements were met. Permits are required for taxicabs, limousines, and vehicles for hire. These permits are valid for one year and must be renewed each December for the next year. The AMC specifies that applications to renew a permit shall be made in the same manner as a new permit application. Our review of the files for permit renewals revealed the following:

- 1) Certifications were not obtained from the Chief Fiscal Officer and the Utility managers to determine whether the permit holders had any outstanding financial obligations to the Municipality.
- 2) Permit files did not contain a list of chauffeurs operating under the permit or other documentation to evidence that the permit holders only utilized properly licensed chauffeurs. Current procedures did not require the permit holder to provide a list of chauffeurs operating under their permit.
- 3) Permit files did not contain proof that the permit holder was at least 19 years old.
- 4) Not all of the permit files contained proof that the applicant maintained or participated in the Commission-approved chauffeur training and testing program. One limousine permit was renewed although the permit holder refused to participate in the Commission-approved chauffeur training and testing program.
- 5) Insurance requirements were not always met. Specifically, not all permit holders were insured for uninsured motorists, several permit files had insurance certificates which had expired, and

one taxicab certificate of insurance failed to list the Municipality as the certificate holder.

- 6) One vehicle for hire permit file and one limousine permit file did not contain a current application for renewal. However, the permits were still renewed.
- 7) Vehicle for hire permit files did not contain the required complete description of services to be provided.
- 8) Permit renewals were not approved by the Commission.

b. **Recommendation.** Permits should be renewed only when the applicant has met all requirements specified in the AMC. This will ensure all renewal applicants are held to the same standards. Further, permit renewals should be reviewed and approved by the Commission and not the Inspector as required by the AMC.

c. **Management Comments.** Management concurred and stated, "Procedures are being reviewed and updated for permit renewals to ensure 1996 permit renewals are in compliance with AMC requirements."

d. **Evaluation of Management Comments.** Management comments were responsive to the audit finding and recommendation.

12. **Substitute Vehicle Use Permits Used Incorrectly.**

- a. **Finding.** The Transportation Inspection Office allowed permit holders to use a substitute vehicle by issuing a Substitution Notice without ensuring that an annual substitute vehicle use permit had been issued. Our review revealed 59 permit holders utilized substitute vehicles during 1994. However, only 12 substitute vehicle use permits were issued during 1994. Therefore, 47 permit holders were allowed to substitute a vehicle without paying the annual fee of \$500. This resulted in lost revenue of \$23,500.
- b. **Recommendation.** The Inspector should ensure that a permit holder has obtained an annual substitute vehicle use permit before issuing Substitution Notices.
- c. **Management Comments.** Management concurred and stated, "Annual substitute vehicle use permits will be required before substitute vehicles will be allowed to be used for a permit."
- d. **Evaluation of Management Comments.** Management comments were responsive to the audit finding and recommendation.

**13. Vehicles Which Were Substituted Were Not Re-Inspected.**

- a. **Finding.** Vehicles which had been temporarily replaced by a substitute vehicle were not re-inspected prior to being placed back in service. The Transportation Inspection Office required permit holders to fax a pre-authorized Substitution Notice to the Transportation Inspection Office, notifying the office that a substitute vehicle was being operated for a particular permit. This notice, signed by the permit holder, stated that the "original vehicle must be re-inspected before resuming operations on the streets of the Municipality of Anchorage". Our review revealed no evidence that these re-inspections were ever performed.
- b. **Recommendation.** The Inspector should require re-inspections prior to vehicles being placed back in service. Further, the practice of pre-authorizing blank Substitution Notices should be discontinued.
- c. **Management Comments.** Management concurred and stated, "The requirement for re-inspections will be reviewed."
- d. **Evaluation of Management Comments.** Management comments were responsive to the audit finding and recommendation.



**14. Chauffeur Licenses Issued Without AMC Requirements Being Met.**

a. **Finding.** Chauffeur licenses were issued without ensuring that all AMC requirements were met. Our review of 32 chauffeur license files revealed that:

- 1) Two chauffeur licenses were issued after the effective date of the training and testing program but the applicants were not required to attend the training and testing program.
- 2) Evidence was not on file that 15 applicants took and passed the required test. However, all 15 applicants were issued a chauffeur license.
- 3) Fingerprints were not obtained for one applicant.
- 4) Proof of a physical examination was not obtained for two applicants.
- 5) None of the 32 files contained evidence of the applicants ability to read, write and speak English.

b. **Recommendation.** The Inspector should ensure that chauffeur licenses are issued only when the applicant has met all the requirements specified in the AMC.

- c. **Management Comments.** Management concurred and stated, "Chauffeur licenses are not being issued or renewed unless all AMC requirements have been met."
  
- d. **Evaluation of Management Comments.** Management comments were responsive to the audit finding and recommendation.

**15. Filing System Required Improvement.**

- a. **Finding.** The current filing system at the Transportation Inspection Office required improvement. Specifically, the following deficiencies were noted:
  - 1) Vehicle inspections and meter certifications were not placed in the permit file. Instead, Vehicle Inspection Checklists were kept in a large pile for the year.
  
  - 2) Evidence that the applicant had attended the required training program and had taken and passed the required test was not placed in chauffeur files.
  
  - 3) Chauffeur files did not indicate the expiration date of the current license. This was particularly confusing as applicants were sometimes given temporary licenses.

- b. **Recommendation.** The Transportation Inspection Office should revise their filing system so that permit files contain all pertinent documentation and thus allow the office staff to easily determine that all requirements have been met prior to issuing or renewing permits.
  
- c. **Management Comments.** Management concurred and stated, "Steps have been taken to improve the filing system. The goal is to have all permit information located in the permit file."
  
- d. **Evaluation of Management Comments.** Management comments were responsive to the audit finding and recommendation.

16. **Transportation Inspection Office Not in Compliance With Policy and Procedure (P&P) 24-1.**

- a. **Finding.** The Transportation Inspection Office was not in compliance with P&P 24-1, Collecting, Securing, Depositing and Reporting Cash. Our review revealed the following areas of noncompliance:
  - 1) Deposits were not made on a daily basis but were generally made once a week. During 1994, there were only 40 deposits made for the year.
  
  - 2) The cash register was not totalled out at the end of each day.

- 3) Cash receipts were stored in the cash register until deposited.
- 4) The keys to the register were kept in an unlocked safe directly below the cash register.
- 5) Checks for more than \$2,500 were not verified at the bank they were drawn on prior to deposit.

b. **Recommendation.** The Inspector should ensure cash is handled in compliance with P&P 24-1.

c. **Management Comments.** Management concurred and stated, "Efforts will be made to ensure the Transportation Inspection Office is in compliance with P&P 24-1."

d. **Evaluation of Management Comments.** Management comments were responsive to the audit finding and recommendation.

17. **Required Public Hearings on Quality of Service Not Held.**

a. **Finding.** The Commission did not hold three public hearings on the quality of service being rendered as required by the AMC. Only one public hearing was held on this subject during 1994.

- b. **Recommendation.** The Commission should ensure the AMC requirement for public hearings on the quality of service are met.
  
- c. **Management Comments.** Management concurred and stated, "Public hearings will be held three times in 1995 on the quality of service being rendered."
  
- d. **Evaluation of Management Comments.** Management comments were responsive to the audit finding and recommendation.

**Discussions With Responsible Officials.** The results of this audit were discussed with the appropriate personnel on April 5, 1995.



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