

**DEPARTMENT OF PUBLIC WORKS  
FLEET OPERATIONS  
AUDIT 06-15  
JULY 19, 2007**



# CITY OF TAMPA

Pam Iorio, Mayor

Internal Audit Department

Roger Strout, Internal Audit Director

July 19, 2007

Honorable Pam Iorio  
Mayor, City of Tampa  
1 City Hall Plaza  
Tampa, Florida

RE: Fleet Operations, Audit 06-15

Dear Mayor Iorio:

Attached is the Internal Audit Department's report on Fleet Operations.

The Fleet Management Division of the Department of Public Works, the Accounting Division of the Department of Revenue and Finance, and the Purchasing Department have already taken positive actions in response to our recommendations. We thank the management and staff of the Fleet Division and the Purchasing Department for their cooperation and assistance during this audit.

Sincerely,

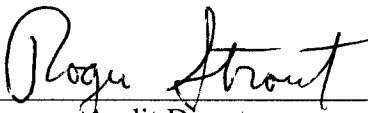
Roger Strout  
Internal Audit Director

cc: Darrell Smith, Chief of Staff  
Steve Daignault, Administrator of Public Works and Utility Services  
Cynthia Miller, Director of Growth Management & Development Services  
Bonnie Wise, Director of Revenue & Finance  
Santiago Corrada, Administrator of Neighborhood Services  
Gregory Spearman, Director of Purchasing  
Irvin Lee, Director of Public Works  
Tim Perry, Fleet Manager

**DEPARTMENT OF PUBLIC WORKS  
FLEET OPERATIONS  
AUDIT 06-15  
JULY 19, 2007**

  
\_\_\_\_\_  
Auditor

  
\_\_\_\_\_  
Audit Supervisor

  
\_\_\_\_\_  
Audit Director

**DEPARTMENT OF PUBLIC WORKS  
FLEET OPERATIONS  
AUDIT 06-15  
JULY 19, 2007**

**INTRODUCTION**

The Fleet Maintenance Division (Fleet) of the Public Works Department provides vehicle and equipment repair services, fueling, and fleet acquisition & disposal services for approximately 2400 of the City's vehicles and other types of equipment<sup>1</sup>.

Fleet operates one central repair facility. It provides preventive maintenance service, performs a wide range of repairs, and outsources certain types of work, such as glass and air conditioning, to local commercial repair facilities.

Fleet is also responsible for obtaining and dispensing approximately 1.5 million gallons of unleaded and diesel fuel at seven locations<sup>2</sup>. Fleet operates as an Internal Service Fund and must recover all costs of operation through user charges.

Work order data, fuel, equipment downtime and other management information is maintained by a software system, referred to by the acronym *FASTER*. Parts inventories are maintained by an on-site unit of the Purchasing Department.

**STATISTICS**<sup>3</sup>

	<b><u>FY05 Actual</u></b>	<b><u>FY06 Actual</u></b>	<b><u>FY07 Budget</u></b>
<b>Personnel Expenses</b>	\$3,711,902	\$3,900,089	\$4,445,980
<b>Operating Expenses</b> <sup>4</sup>	6,484,520	7,766,301	7,578,779
<b>Capital Outlay</b>	172,798	626,295	341,008
<b>Total</b>	<b><u>\$10,369,220</u></b>	<b><u>\$12,292,685</u></b>	<b><u>\$12,365,767</u></b>
<b>Authorized Positions</b> <sup>5</sup>	70	68	68

---

<sup>1</sup> Unless otherwise indicated, the term *equipment* includes vehicles in this report.

<sup>2</sup> This does not include fuel for Police vehicles, which is described in the Scope section.

<sup>3</sup> City of Tampa FY 07 Annual Budget.

<sup>4</sup> Includes cost of fuel purchased.

<sup>5</sup> Includes 8 Inventory personnel who report to the Purchasing Department but are charged to Fleet's budget.

## **STATEMENT OF OBJECTIVES**

This audit was conducted in accordance with the Internal Audit Department's FY06 Audit Agenda. The objectives of this audit were to determine if:

1. Controls over fuel operations were adequate.
2. Inventory was purchased and issued in a reasonable manner.
3. Equipment downtime was monitored and was reasonable.
4. Parts warranties were monitored.

## **STATEMENT OF SCOPE**

This audit included operations which occurred between October 1, 2005 and September 30, 2006. The scope was extended beyond the ending date for inventory requests that began during the audit period.

This audit did not include Police vehicles serviced by the dealership, Fire Rescue Equipment maintained by Fire Rescue, or work subcontracted to commercial facilities (sublets). Fuel purchased through the Shell Credit Card program and fuel delivered to fire stations was also excluded. Those programs are audited separately. However, an observation regarding taxes paid through the credit card program is noted under *Audit Conclusions* in this report.

## **STATEMENT OF METHODOLOGY**

Procedures varied between objectives:

- Objective 1: A judgmental sample was taken which included both diesel and unleaded fuel at four dispensing facilities. Reasonableness of fuel costs and margins was reviewed for the entire audit period.
- Objective 2: All new inventory requests from January through September, 2006, were reviewed to determine timeliness of response to the requests.
- Objective 3: Fleet automated reports generated by the *FASTER* system for both FY 05 and FY 06 were reviewed for adverse trends in each Department.
- Objective 4: Parts warranty monitoring was reviewed.

To achieve the audit's objectives, reliance was placed on computer-processed data contained in the City's financial system (FAMIS) and the purchasing and inventory system (ADPICS). These systems have been determined in previous audits to be reliable.

## **STATEMENT OF AUDITING STANDARDS**

We conducted our audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to afford a reasonable basis for our judgments and conclusions regarding the organization, program, activity, or function under audit. An audit also includes assessments of applicable internal controls and compliance with requirements of laws and regulations when necessary to satisfy the audit objectives. We believe that our audit provides a reasonable basis for our conclusions.

## **AUDIT CONCLUSIONS**

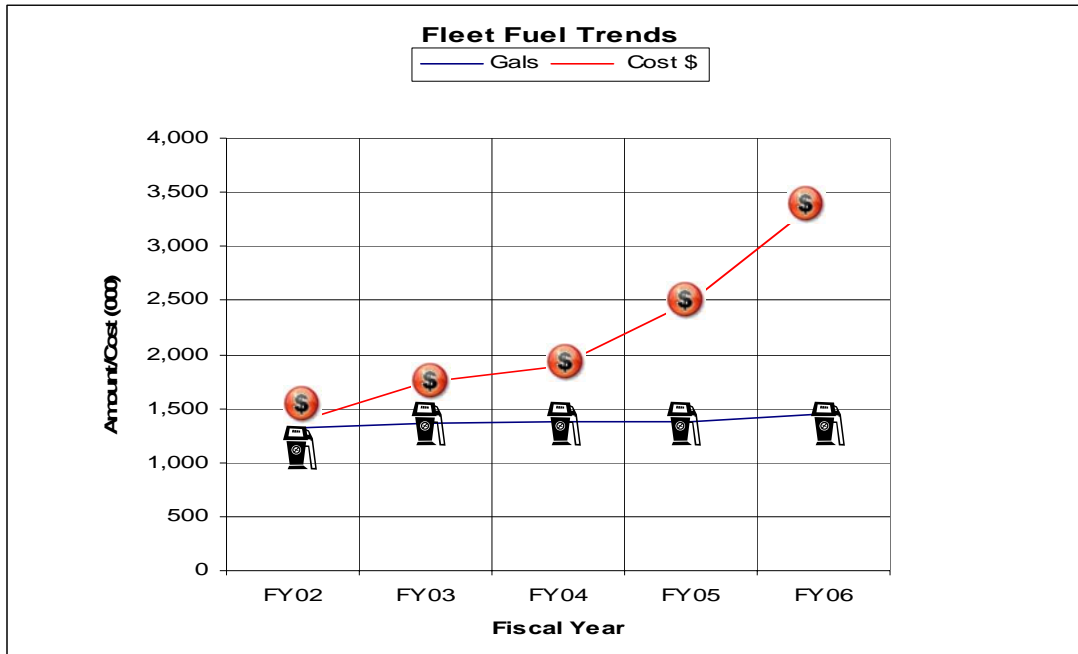
Based upon the test work performed and the audit findings noted below, we conclude that:

### 1. Fuel Operations

- a) Fuel Operations had reasonable controls in place over the delivery to, and dispensing from, fueling sites for licensed vehicles and heavy equipment.
  - b) Controls over fuel used in small equipment need to be improved.
  - c) Fuel contract prices were being verified and are correct, but the contract was not explicit with respect to which pricing index was appropriate.
  - d) A policy should be established regarding fuel sales to other non-city organizations.
  - e) A determination should be made regarding retention of fuel tax refunds for fuel sold to other non-city organizations.
  - f) Tax refunds for diesel fuel used in the City's off-road equipment should be requested for current and prior periods, to the extent allowed by Statute. Tax refunds for bulk fuel purchases for licensed equipment used on-road were being properly collected.
  - g) In connection with our review of fuel tax refunds, we noted that tax refunds are not being claimed for fuel purchased by credit card for Police vehicles. Claims for refunds are now planned and should generate approximately \$140,000 per year in new refund revenue.
2. Requests for new inventory items were not being processed in a timely manner.
  3. There appeared to be an adverse trend with respect to equipment availability.
  4. Parts warranties were being monitored by Fleet Supervisory and Inventory personnel, but no formal tracking was in place.

While the findings discussed below may not, individually or in the aggregate, significantly impair Fleet Operations, they do present risks that can be more effectively controlled.

## FUEL OPERATIONS



### The Contract

Fuel is purchased under a contract by the Governmental Purchasing Council of Hillsborough County. Certain provisions specific to the City of Tampa are included, such as delivery sites and estimated quantities.

Unleaded and diesel fuel is ordered and delivered several times each week to one or more of the seven fueling stations operated by Fleet. Verification of the amount of each delivery is made through automated or manual tank readings. If it is not feasible to obtain readings at the time of the delivery, readings for the day are used to reconcile the delivery, factoring in any fuel pumped. Fuel is dispensed by an automated key system which allows authorized City personnel access to the fuel from any of the pumps. The system records the equipment number and the amount of fuel dispensed. Employees are required to enter the odometer reading, which is added to the equipment history. The mileage data can then be used to schedule preventive maintenance.

The bid specifications call for pricing to be based upon:

“...the average weekly price for each product (i.e., diesel or unleaded) at PAD 1, Tampa, Florida as reported by the Oil Price Information Service (OPIS) plus a firm fixed fee per gallon”.

The specifications further stipulate such requirements as:

- Compensating the quantity to a standard temperature.
- Octane ratings & maximum lead content (Unleaded gasoline).
- Allowable level of sulfur (Diesel).

The City subscribes to the OPIS weekly bulletin, which is E-Mailed each Thursday evening to the fuel buyer in the Purchasing Department. The pricing information is then passed on to Fleet in the form of a note to the blanket purchase order. Fleet Maintenance looks up the purchase order in the City's purchasing system (ADPICS) to assure that invoice prices for deliveries the following week are correct. It is also used to establish user costs, as described later in this section, and to confirm invoice prices.

The weekly bulletin actually reports four different averages for each product. It seems to be generally understood that the "Rack Average" for each product is the appropriate index to use, and no problems have surfaced. However, we believe that it is possible that a conflict could arise should a vendor assert the use of a different OPIS average. Since the current procedure is established, it may be a moot point for now, but if a new RFP is solicited, the specific rack average should be identified.

The City uses two providers under the terms of the purchasing contract. Bulk purchases are made through an out-of-state commodities broker at the Rack Average for the week plus 12/100 of a cent and 34/100 of a cent for unleaded and diesel, respectively. The broker arranges the sale and delivery, but never takes possession of the fuel. Smaller loads are purchased directly from a local vendor at 6 cents above the Rack Average for both unleaded and diesel. For FY 06, about 90% of fuel purchases were made from the commodities broker and the balance from the local vendor.

We tested prices charged by the two vendors and found them to be in accordance with the contract.

### User Charges

Fleet Maintenance establishes the markup on fuel as part of the budget process. It is currently 10% over cost. This markup is intended to cover the costs of the fueling operations and a portion of Fleet's overhead.

The pump price is based upon the average cost of the two contract prices, or about 3.1 cents above the Rack Average. This is a simple average, not a weighted average that would take into account the fact that most fuel is purchased at the lower price from the commodities broker. The 10% markup is then applied to this calculated cost. A weighted average would be about 1 cent above the Rack Average. Use of the simple average results in an actual markup of about 11%.

Pump prices are changed the following week, but not always immediately. Part of the delay is said to be due to the time it takes Purchasing to provide updated cost information. In view of the fact that the fuel in the tanks includes varying amounts of fuel purchased at the previous week's price, the delay in changing the pump price is not problematic.

In addition to providing City departments with fuel, the Tampa Housing Authority and the Boys and Girls Club of Tampa Bay also obtain fuel from City pumps. They are billed at the City's cost plus markup through the City's accounts receivable system. We compared revenue posting in FAMIS with Fleet's billing summary and found no exceptions.

### Controls

Verifying the quantity of fuel received from a vendor is more complicated than just reading a meter. Bulk purchases, which constitute most of Fleet's purchases, are metered when the delivery truck receives the fuel at the Port of Tampa. It is not practical for City personnel to monitor this process. Fleet has several means to verify the quantity delivered. These include an automated monitoring system for City tanks, and in some cases, manual stick readings of the tanks. Using readings before and after delivery, the amount received can be extrapolated. Additionally, the contract requires that quantities be billed based upon the equivalent at a standard temperature. The City's automated systems accommodate this requirement. While there were some variances between the invoiced amount and the amount measured by Fleet, we found them to be reasonable.

Additionally, Fleet reconciles fuel monthly using beginning inventories, adding purchases and subtracting amounts pumped. We tested these calculations and found them to be reasonable. Overall, variances were favorable, i.e., the ending physical inventories were greater than the amounts calculated. The variance for the year amounted to about 0.7% of purchases for both unleaded and for diesel. Part of the reason for this could be the temperature compensation factor as it tends to reduce the amount received and invoiced, but is not factored into the amount dispensed.

We performed several tests to determine if the margin between cost of fuel dispensed and the amount billed user departments was reasonable. We found the margin as a percentage of cost for the audit period to be about 13.3%. Part of the difference between the 11% weighted average markup and the margin is due to the temperature compensation described in the previous paragraph. We believe the rest of the difference is most likely due to year end cutoff procedures. Since this margin has not been calculated in the past, an historical comparison cannot be made.

Controls are in place to provide reasonable assurance that:

- The City is receiving the fuel for which it is invoiced.
- Unit prices invoiced are in accordance with the contract, assuming that the Rack Average is the correct index.
- Balancing procedures and the margin test help insure that fuel is being accounted for.

User Departments. Users are provided with a monthly report listing charges by equipment number for the month. Each equipment number includes a summary of costs of repairs (labor and parts), sublets, and fuel. A detail of fueling transactions is available upon request, but a survey of several departments indicated that review of fuel usage was cursory.

Small Equipment, such as pumps, generators, and mowers are not assigned a unique fuel key. Special keys referred to as Green Keys are instead issued to personnel in departments in order to access fuel. Fleet records assign each Green Key to a specific department so that fuel used can be charged to the appropriate department. Individual Green Key issues are maintained by user departments. We found records in some departments to be out of date and/or incomplete. It is uncertain that all of the keys are accounted for. Green Keys are programmed as to authorized fuel types and maximum quantities. Fuel charged to Green Keys amounted to 69,000 gallons for FY 06.

Video Surveillance. Most, but not all, pumps are included in video surveillance systems at each facility. 40<sup>th</sup> Street (Transportation/Stormwater) and Lowry Park have new systems that provide quality color pictures recorded on video disks. They are motion activated, so they don't record times when there is no activity in the camera range. Other facilities have older systems of lesser quality recorded on tape in black and white. None of the departments review recordings unless some event happened to necessitate a review. Vandalism and careless handling resulting in damage are usually cited as reasons for review. The recordings are not used to identify suspicious fueling operations.

Control would be improved if signage was installed reminding personnel that the pumps were under 24 hour surveillance. Monitoring by user departments will be necessary for this to be effective. If monitoring is not taking place, it will become known and the signage will not be a deterrent.

The FASTER database captures date and time of transactions, pump location, equipment number, and employee number. It should be possible to construct database queries that could identify unusual activity, such as transactions late at night or on weekends for equipment not normally used at those times. Surveillance disks or tapes could be reviewed for those transactions.

### Fuel Tax Refund

Municipalities are entitled to a refund of 11.9 cents per gallon<sup>6</sup> from the State for fuel used in licensed, on-road equipment. The refund totaled \$175,000 for FY 06. \$90,000 was allocated to the Fleet Fund and reported as a revenue, the rest to Public Works and Tampa Fire Rescue in the General Fund. Included in the fuel reported are sales to the Tampa Housing Authority and the Boys and Girls Club of Tampa Bay. It is unlikely claiming and retaining a tax refund for fuel sold to the organizations is appropriate. Approximately \$6,000 per year in tax revenue is attributable to these organizations.

---

<sup>6</sup> Increased to 12.3 cents per gallon as of January 1, 2007

Additionally, we noted that the tax paid on diesel fuel used in off-road equipment can also be refunded if properly filed with the Florida Department of Revenue. It is our understanding that this is now being pursued by the City's Department of Revenue and Finance. This should generate approximately \$25,000 in new refund revenue annually.

### **RECOMMENDATION 1**

Fleet should determine if a policy has been established regarding sales of fuel to other governmental and non-profit entities. The City's practice of claiming fuel tax refunds on fuel sold to these entities should be reviewed by the City Attorney.

### **AUDITEE RESPONSE (Fleet)**

There is currently no policy regarding fuel sales to other governmental and non-profit entities. Fleet currently provides fuel to the Tampa Housing Authority and the Boys and Girls Club. These are the only two outside entities to have requested fuel services, and both were reviewed on an individual basis. In the case of the Boys and Girls Club, fuel is provided for their buses, which are parked next door to Fleet. At the time they requested permission to obtain fuel at Fleet, the determination was made that this would represent a City contribution to the non-profit agency.

The fuel tax refund on fuels sold to outside organizations has not been accounted for separately, or refunded to them. The City buys the fuel, maintains the infrastructure, and provides the fuel at the same cost that City departments pay. A request will be submitted to the City Attorney for guidance in this regard.

## **RECOMMENDATION 2**

Since there are a number of fuel price indices provided each week, including averages, the specific index should be identified in future RFP's and Contracts to avoid the possibility of a conflict.

### **AUDITEE RESPONSE (Purchasing)**

On October 15, 2003 the Board of County Commissioners awarded Bid No. T-821-03 (RB). This is a cooperative bid with Hillsborough County, the City of Tampa, and the Hillsborough County Sheriff's Office. Hillsborough County is the lead agency for this bid. The bid is for a two year period with two additional two year renewal periods.

Currently, we are in the first renewal period which will be expiring on October 15, 2007. Hillsborough County intends to exercise the second and final renewal option available. The new expiration date will then be October 15, 2009.

The Purchasing Department is not aware of any issues with Petroleum Traders regarding the use of the weekly "Rack Average" index. However, Purchasing will take this audit recommendation of identifying a specific fuel index under advisement the next time we bid out fuel. In addition, we will also discuss this matter with the staff of Hillsborough County Purchasing should the decision be made to proceed with another cooperative bid in 2009.

## **RECOMMENDATION 3**

User Departments should review monthly fuel charges for each piece of equipment for reasonableness. A detail of transactions should be requested from Fleet if usage appears irregular.

### **AUDITEE RESPONSE (Fleet)**

Fleet provides a monthly billing to all departments which includes a breakdown of fuel costs for each vehicle. A notice is being sent to all Departments to remind them of the importance of reviewing these charges.

### **AUDITEE RESPONSE (Public Works & Utility Services Administrator)**

All departments will review their fuel costs monthly to identify unusual costs, and follow up with Fleet to determine if improper use is occurring, or to identify possible fuel savings.

**AUDITEE RESPONSE (Neighborhood Services Administrator)**

We concur. The Vehicle Coordinators of Clean Cities and Code Enforcement, and the Parks Superintendent will review fuel reports of their respective areas for any possible inconsistencies or irregularities on a monthly basis.

**AUDITEE RESPONSE (Growth Management & Development Services)**

We Concur. The Division Managers will be responsible for reviewing the monthly fuel charges for each vehicle or piece of equipment assigned to their divisions. Records will be retained by the division and additional information will be sought from Fleet as necessary.

#### **RECOMMENDATION 4**

Each department should prepare an inventory of Green Keys, who they are assigned to, and what restrictions or limits should be assigned. This information should be provided to Fleet and its records updated as needed. Any keys which cannot be accounted for should be disabled by Fleet.

#### **AUDITEE RESPONSE (Fleet)**

Fleet will send all departments an inventory of their assigned Green Keys, and request that they physically identify each key, log who it is assigned to, and provide Fleet with that information. Fleet will disable any Green Keys that cannot be physically accounted for.

Fleet will prepare an instructional policy for the use of Green Keys and distribute it to all departments with Green Keys assigned. This policy will address the purpose of the Green Key program, proper uses, prohibited uses, and the need for the customer to regularly monitor fuel use and costs for all keys.

#### **RECOMMENDATION 5**

Explore expanding and upgrading video surveillance equipment at sites without adequate equipment. Establish a policy and assign responsibility for monitoring of media either randomly or based upon exception reporting of unusual activity.

#### **AUDITEE RESPONSE (Public Works & Utility Services Administrator)**

Funding will be pursued through the budget. Fleet currently has cameras at two sites. Fleet will prepare a policy regarding review of media. Due to staffing constraints, review will be primarily upon reporting of unusual activity, such as late night transactions, unusual amounts of fuel in one transaction, or reports of suspicious vehicles.

#### **AUDITEE RESPONSE (Neighborhood Services Administrator)**

There are 16 cameras total at the Lowry Compound, one of which covers the fueling area. We have recently upgraded the cameras and recorder at Lowry. The recorder is located in a small room inside the Clean City Division offices and is viewed when an incident is discovered. The only fueling area not adequately covered by the camera is the new above ground tanks. Staff is looking into adding a camera to cover this area.

## **RECOMMENDATION 6**

Appropriate Policy and Procedure Manuals should be updated to include filing of all eligible tax refund applications.

### **AUDITEE RESPONSE (Revenue and Finance)**

We Agree.

The Revenue and Finance Department is in the process of updating our policy and procedure manuals to include the filing of all eligible tax refund applications.

Immediately upon the Internal Audit Department bringing to our attention that we could submit a refund application for the tax paid on diesel fuel used in off-road equipment, we conducted the research, processed the appropriate documentation and have submitted to the State of Florida Department Revenue the request for refund.

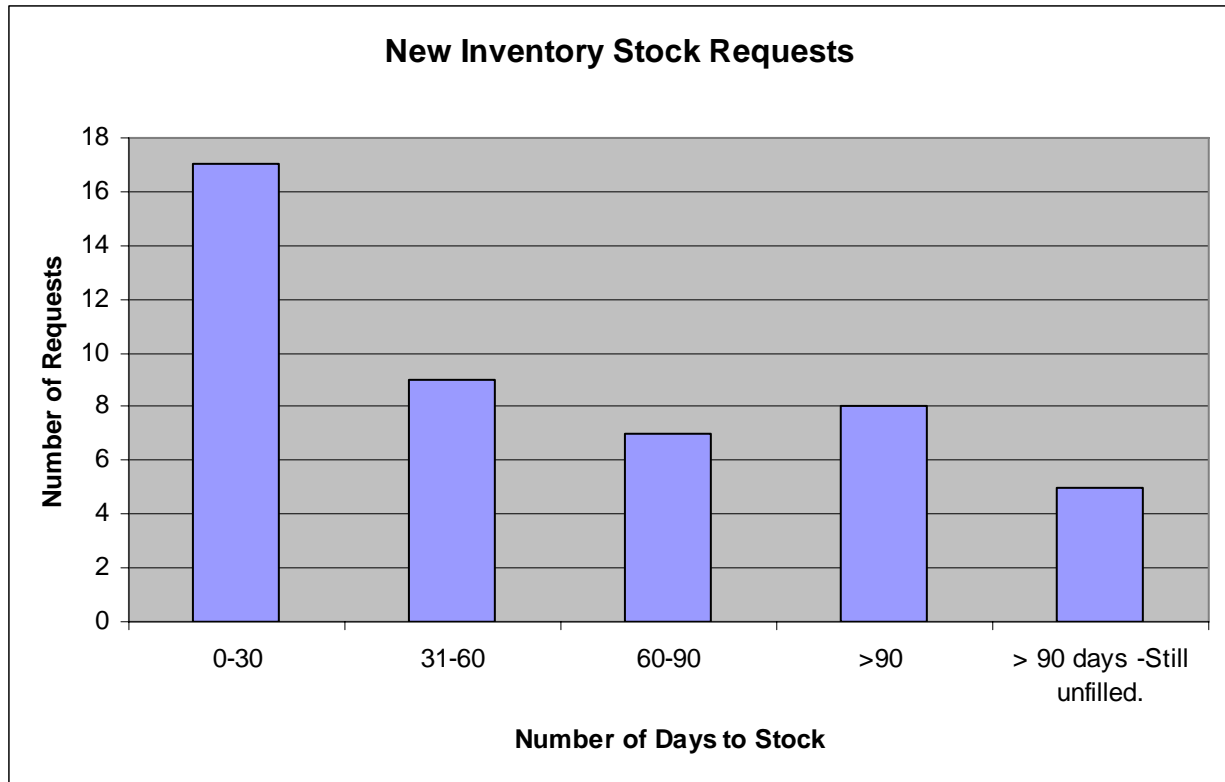
### **AUDIT COMMENT**

We have been advised that the City has received \$78,580 from the Florida Department of Revenue representing refundable off-road diesel fuel tax for the last three years. This was a result of the quick action taken by the Department of Revenue and Finance as described in their response, above.

### **INVENTORY**

The primary purpose for maintaining an inventory is to have parts available as needed for repairs. New parts need to be stocked to support Fleet's mission as new equipment is added to the fleet. Otherwise, downtime and costs are increased while waiting for parts to be picked up or delivered. Fleet shop supervisors normally initiate the process of requesting items to be carried in inventory.

The on-site Inventory Supervisor, who reports to the Purchasing Department, submits a handwritten request log through his department's chain of command. We reviewed the log and found the process was often slow to meet Fleet's needs. Forty-six new stock items were requested during the nine month period ending September 30, 2006. The results of our survey are presented graphically:



We met with Purchasing’s Procurement Manager who stated he had not been advised of a problem, but encouraged direct communication from Fleet Management or the Fleet Inventory Supervisor if there were undue delays. It was stated that some items take longer because an RFP may be required, although Purchasing was unable to provide an estimate as to how often this situation might occur. The Procurement Manager agreed that Fleet should be advised of any delays.

**RECOMMENDATION 7**

Purchasing should keep Fleet Inventory personnel advised as to the status of requested new inventory items.

If it will take longer than 30 days to fill the request for an inventory addition, Fleet Management should be notified. Fleet Management should follow up directly with Purchasing Management when delays or other problems arise concerning new inventory items.

### **AUDITEE RESPONSE (Purchasing)**

Soon after Auditing brought to the attention of the Goods and Services Manager that some additions to inventory were not being processed timely, discussions between the Goods and Services Manager and the Inventory Manager immediately took place to establish an acceptable process protocol. As a result of those meetings, a formal written process protocol was developed and distributed (copy attached).

Effective February 16, 2007, all additions to inventory are routed directly to the Goods and Services Manager from the Inventory staff. The Goods and Services Manager reviews the requests and distributes the requests to the appropriate Buyer. The Goods and Services Manager then tracks the progress of all additions to inventory requests and informs the Inventory staff of any delays. A benchmark of thirty days has been established by the Inventory Manager and the Goods and Services Manager to complete all additions to inventory from the time the request was submitted to the Goods and Services Manager.

It should be noted that between February 16, 2007 and June 15, 2007 approximately ninety-five city wide addition to inventory requests were submitted to the Goods and Services Manager and all were processed within the thirty day benchmark.

## **EQUIPMENT AVAILABILITY**

One indicator of performance is the availability of equipment maintained by Fleet. Fleet produces monthly reports and charts using *FASTER* that indicate the percentage of time equipment is available (not out of service for repairs). The availability calculation is tailored to each type of equipment based upon its normal hours of use.

Fleet has set a goal of 95% availability, which seems to be an accepted goal for the industry. Fleet's reports indicate that equipment availability has decreased from 91.6% for FY 05 to 89.0% for FY 06. Decreases occurred in equipment from nearly every department/division. The largest decrease was in Solid Waste, with availability falling from 80.0% to 70.7%.

The decline could be due to either corrupted data or a change in how availability is being measured. This is an important performance measure and the reason for the apparent decline needs to be determined and corrected.

## **RECOMMENDATION 8**

Fleet Management should determine the cause of the adverse performance trend and take corrective action as appropriate.

## **AUDITEE RESPONSE (Fleet)**

Fleet does not believe that the current information in the downtime reports is reliable. For instance, it stands to reason that if the Solid Waste Department had vehicles out of service 30% of the time, they would not be able to complete their mission. There are several factors that may be contributing to this problem.

The software vendor has identified problems with some of the reports not calculating properly and giving unreliable results. The reports in the current version are calculated by the report software which draws information from the *FASTER* database. This may contribute to errors during the data transfer. The vendor is issuing an upgrade in which the calculations are done within *FASTER* and not the reporting software. They feel that this should eliminate the problem. Fleet will work with the vendor, and monitor the experiences of users who have installed the update prior to upgrading.

There does appear to be corrupt data in the database, however, it is difficult to determine if this is related to the reporting function. A test of data from one department revealed downtime hours for some vehicles that are not reflected on actual work orders. Fleet experienced extensive problems in the first quarter of the year with *FASTER* assigning thousands of hours to random work orders due to a time and date stamp issue. Fleet will perform additional testing and work with the vendor to resolve this issue.

Closing work orders in a timely fashion and ensuring that they are in the proper status codes, is also essential to accurate reporting. While examining work orders for downtime, some have been identified that were left open or in the wrong status after the work had been completed. This requires constant oversight and will be a major focus for the new Operations Superintendent.

**PARTS WARRANTEES (Repeat Finding)**

During the last audit of Fleet Operations<sup>7</sup>, we recommended that Fleet and Inventory Control develop procedures to identify replacement parts under warranty. A pilot test was started in May 2004 using FASTER to track battery warranties. The intention was to evaluate the usefulness of this program, and to expand it to other parts warranty tracking if the test was successful.

The test was not completed and no automated tracking system is currently in place.

**RECOMMENDATION 9 (Fleet)**

Resume the pilot test of parts warranty tracking.

**AUDITEE RESPONSE**

Fleet and Purchasing will resume the test and evaluate expanding it as appropriate.

---

<sup>7</sup> Audi 03-23 dated December 12, 2003

**POLICY AND PROCEDURES MANUAL (Repeat Finding)**

Section 2-46 (a) of the City of Tampa Code requires that:

*“Departments shall create and maintain all records with adequate and proper documentation of the organization, together with the functions, policies, procedures, and essential transactions of the department”.*

Fleet’s Policy and Procedures Manual has not been updated to reflect implementation of the *FASTER* system and other changes in procedure.

**RECOMMENDATION 10**

The Policy and Procedures Manual should be updated to reflect the current operations.

**AUDITEE RESPONSE (Fleet)**

The Policy and Procedures Manual will be updated to reflect current operations.