

**City of Tampa  
Internal Audit Department  
Audit Program Guide  
Fleet Operations, 03-23**

Budget Hours	Audit Procedures	Done By	W/P Ref.																				
<b><i>Background</i></b>																							
	<p>The Fleet Maintenance Division of the Public Works Department is responsible for ensuring that the City has the right complement of vehicles for City departments. Services include buying the right size and type of equipment, fueling, service and maintenance, monitoring vehicle performance, and arranging for vehicle disposal and replacement. Maintenance is consolidated at Fleet’s central facility and fueling services are available at the central and four satellite facilities. The Division also maintains a central motorpool for short-term use by City employees at a downtown location. Vehicle replacement analysis and recommendations are coordinated and provided by the fleet management staff at the central facility. Vehicles are replaced based on an economical cost analysis and availability of funds.</p> <p>Costs of operating the maintenance facility for automotive equipment used by City departments are accounted for in the Fleet Maintenance Fund. Revenues come primarily from charges to user departments and are based on cost incurred.</p>																						
<b><i>Statistics</i></b>																							
	<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 30%;"></th> <th style="width: 15%; text-align: center;">FY01</th> <th style="width: 15%; text-align: center;">FY02</th> <th style="width: 15%; text-align: center;">FY03</th> </tr> </thead> <tbody> <tr> <td>Operating Expenses</td> <td style="text-align: right;">\$5,817,000</td> <td style="text-align: right;">\$5,794,000</td> <td style="text-align: right;">\$5,108,659</td> </tr> <tr> <td>Personal Services</td> <td style="text-align: right;"><u>4,158,000</u></td> <td style="text-align: right;"><u>4,281,000</u></td> <td style="text-align: right;"><u>3,898,781</u></td> </tr> <tr> <td> Total</td> <td style="text-align: right;"> <u>\$9,975,000</u></td> <td style="text-align: right;"> <u>\$10,075,000</u></td> <td style="text-align: right;"> <u>\$9,007,440</u></td> </tr> <tr> <td> Authorized Positions</td> <td style="text-align: center;"> 70</td> <td style="text-align: center;"> 70</td> <td style="text-align: center;"> 70</td> </tr> </tbody> </table> <p>Source: FY01 and FY02 – Comprehensive Annual Financial Report. FY 03 – Annual Budget Book</p>		FY01	FY02	FY03	Operating Expenses	\$5,817,000	\$5,794,000	\$5,108,659	Personal Services	<u>4,158,000</u>	<u>4,281,000</u>	<u>3,898,781</u>	 Total	 <u>\$9,975,000</u>	 <u>\$10,075,000</u>	 <u>\$9,007,440</u>	 Authorized Positions	 70	 70	 70		
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<i>Planning the Audit</i>			
	<ol style="list-style-type: none"> <li>1. Print Quality Control Package and process Auditor Assignment and Independence Statement page.</li> <li>2. Prepare and send an entrance letter to applicable personnel in the area under review.</li> <li>3. Conduct an in-house review of the following:               <ol style="list-style-type: none"> <li>a) Financial Data</li> <li>b) Internal Policy &amp; Procedures Manuals</li> <li>c) Applicable Rules, Laws and Regulations, and</li> <li>d) Prior internal audit reports and management comments</li> </ol> </li> <li>4. Schedule and hold an entrance conference with the Auditee. Obtain the name of the departmental contact person and secure a place from which to conduct the fieldwork portion of the audit.</li> <li>5. Begin Preliminary Survey by interviewing the appropriate personnel in the Auditee Department. Document the interviews with narratives in the work file.</li> <li>6. Review and document Internal Control System. (Include control points, such as the location within the system of approvals, authorizations, segregation of duties, supervision, reconciliations, computer-generated error and edit listings, exception reports, etc.)</li> <li>7. After gaining an understanding of various functions, conduct transaction walk-throughs. Revise documentation.</li> <li>8. Assess the reliability of computer-processed data –               <ol style="list-style-type: none"> <li>(a) Identify all computer-generated data that will be used during the audit.</li> <li>(b) Determine how the data will be used in the audit. If used as the sole evidence supporting a finding or as corroborative or supporting evidence – assess the data’s reliability by performing steps (c) to (g). If it will be used as background information – cite the data’s source and no further work is required.</li> <li>(c) Document how the data is used in decision-making and the extent of users’ reliance on the data.</li> <li>(d) Review any evaluations of the system, application and data performed by an independent third party (e.g., external auditor’s management letter).</li> <li>(e) Identify and document any input, processing and output</li> </ol> </li> </ol>		

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	<p>controls and controls over data adjustments.</p> <p>(f) Test the identified controls and data elements that will be used during the audit by tracing a sample of data records to the source documents and a sample of source documents to the database.</p> <p>(g) Summarize the test work and results and conclude on the data's reliability.</p> <p>9. Prepare a risk analysis listing the strengths and weaknesses of the system and reference risk assessments to audit objectives.</p> <p>10. Prepare the audit program and include a time budget and estimated completion date. Index the preliminary survey file and turn in for review. The Planning Checklist page of the Quality Control Package should be completed by the Audit Supervisor.</p> <p>11. Clear review notes and revise the audit program, if necessary.</p>		
<b><i>Audit Scope</i></b>			
	<p>Based on the work performed during the preliminary survey and the assessment of risk, the audit period will cover the operations of the sedan line from October 1, 2001 to May 31, 2003. This audit excludes the operations for medium trucks, heavy trucks, and construction equipment, as these categories of equipment were subject to audit in the Heavy Equipment Repair audit (audit 02-22) issued April 30, 2002. In addition, a review of the sublet program is excluded as it was audited separately in January 2002 (audit 02-24).</p>		
<b><i>Audit Objectives</i></b>			
	<ol style="list-style-type: none"> <li>1. To determine if preventative maintenance was performed on sedan line vehicles on a timely basis and in accordance with manufacturer guidelines.</li> <li>2. To determine if vehicle downtime in the sedan line was reasonable.</li> <li>3. To determine the accuracy of data converted from the former version of FASTER to the new version.</li> <li>4. To determine Fleet's timeliness of repairs in comparison to repair labor standards.</li> <li>5. To determine if reworks are identified.</li> </ol>		

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	<p><b><i>Objective 1: To determine if preventative maintenance was performed on sedan line vehicles on a timely basis and in accordance with manufacturer guidelines.</i></b></p>		
	<ol style="list-style-type: none"> <li>1. Request a listing of all sedan and light truck vehicles and select a random sample for testing.</li> <li>2. For each vehicle selected for testing, ensure preventative maintenance was performed on a timely basis and in accordance with manufacturer guidelines.</li> <li>3. Obtain the Preventative Maintenance Due Report for the sedan line for the period of 10/1/2001 and 5/31/2003.</li> <li>4. Review report for vehicles that are significantly overdue for preventative maintenance. Verify that department was notified of overdue PM. Determine if PM has been performed as of date of test work. Discuss with PM Coordinator.</li> <li>5. Discuss any audit findings with the Audit Supervisor, Deputy Director and Audit Director. After receiving their approval discuss audit findings with Auditee management.</li> <li>6. Summarize and conclude.</li> </ol>		
	<p><b><i>Objective 2: To determine if vehicle downtime in the sedan line was reasonable.</i></b></p>		
	<ol style="list-style-type: none"> <li>7. Obtain an electronic file of closed work orders for the sedan line for the audit period.</li> <li>8. Judgmentally select a sample for testing.</li> <li>9. Schedule the time in and time out for each work order and review for reasonableness.</li> <li>10. Request the following FASTER Downtime Reports for the sedan line: <ul style="list-style-type: none"> <li>FSR0308 – Downtime by Status</li> <li>FSR0309 - Downtime by Vehicle</li> <li>FSR0310 – Downtime by Detail</li> </ul> </li> <li>11. Discuss each report with the Fleet Manager to ascertain their usefulness in monitoring downtime.</li> <li>12. Discuss any audit findings with the Audit Supervisor,</li> </ol>		

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	Deputy Director and Audit Director. After receiving their approval discuss audit findings with Auditee management. 13. Summarize and conclude.		
<b><i>Objective 3: To determine the accuracy of data converted from the former version of FASTER to the new version.</i></b>			
	14. Judgmentally select a sample of equipment/vehicles for testing. For each equipment/vehicle selected for testing obtain the vehicle history recorded on the former version of FASTER and compare to the data recorded on the new version. 15. Judgmentally select vehicles for testing. For each vehicle selected for testing compare the vehicle equipment information and one work order from the new version of FASTER to the former version. 16. Discuss any audit findings with the Audit Supervisor, Deputy Director and Audit Director. After receiving their approval discuss audit findings with Auditee management. 17. Summarize and conclude.		
<b><i>Objective 4: To determine Fleet's timeliness of repairs in comparison to repair labor standards.</i></b>			
	18. From the file of closed sedan line work orders for the period of 10/1/01 to 5/31/03 sort all work orders for the following vehicles: 1999 Ford Contour LX 2000 Crown Victoria 2000 Ford F150 2001 Ford 350 2000 Ford Focus 2000 Ford Ranger 2002 Ford Taurus 19. Judgmentally select 10 work orders for each vehicle and document labor hours charged for each repair activity. 20. Obtain a standard labor guide to document the standard time for each repair.		

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	<p>21. Evaluate labor hours charged against the standards.</p> <p>22. Request the FASTER Average Hours and Dollars for Repairs report for the Sedan Line. Select the top 20 repairs for testing.</p> <p>23. For each repair selected for testing, compare the City's average time to complete repair to the repair labor standard for that class of vehicle.</p> <p>24. Discuss significant variances with the Fleet Manager.</p> <p>25. Discuss any audit findings with the Audit Supervisor, Deputy Director and Audit Director. After receiving their approval discuss audit findings with Auditee management.</p> <p>26. Summarize and conclude.</p>		
<b><i>Objective 5: To determine if reworks are identified.</i></b>			
	<p>27. Request the Possible Comeback Report to be generated for the sedan line and judgmentally select 20 work orders for testing.</p> <p>28. Review each work order selected for testing to ascertain whether it is a true comeback repair.</p> <p>29. Discuss any audit findings with the Audit Supervisor, Deputy Director and Audit Director. After receiving their approval discuss audit findings with Auditee management.</p> <p>30. Summarize and conclude.</p>		
<b><i>Audit Wrap Up</i></b>			
	<p>31. Complete and index working papers.</p> <p>32. Prepare a preliminary draft of the audit report.</p> <p>33. Clear review notes.</p> <p>34. Forward draft to auditee and request responses within 10 working days.</p> <p>35. Incorporate auditee responses into the final audit report.</p> <p>36. If requested, schedule and hold exit conference.</p> <p>37. Send final report to reproduction and make one (1) unbound copy.</p> <p>38. Prepare Release Memo, Staff Summary Sheet and City Council Agenda Item Cover Sheet.</p> <p>39. Provide Audit Supervisor with ten (10) bound and one (1)</p>		

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	<p>unbound copy of the final report.</p> <p>40. Upon release by the Mayor <u>and</u> its appearance on the City Council's Draft Agenda, distribute final report to auditee and place the report, audit program and risk analysis files in the appropriate folders on the share drive for posting to IAD's web site.</p> <p>41. Have the Deputy Director complete the Quality Control Checklist of the Quality Control Package.</p>		