

**City of Tampa
Internal Audit Department
Audit Program Guide
Fleet Operations
Audit 00-24**

Budget Hours	Procedures	Audit	Done By	W/P Ref.																		
<i>Background</i>																						
	<p>The Fleet Maintenance Division of the Public Works Department is responsible for all vehicle-related services. These include:</p> <ul style="list-style-type: none"> • Acquisitions Review • Preventive Maintenance • Repairs • Subcontracting Where Appropriate • Monitoring Performance • Oversight of Warranty Work • Maintenance of Vehicle Repair and Preventive Maintenance Histories • Arranging for Disposal and Replacement <p>The division is staffed with 70 personnel, 10 of which are dedicated to the parts inventory function.</p> <p>An extensive audit was performed in 1995. As a result of the excessive problems reported, a Blue Ribbon Committee was formed and reported to the Mayor in May 1996. Subsequently, the whole operation was realigned without sub-stations for maintenance work. The post audit review was performed in 1997 on the Blue Ribbon Committee Report. An additional follow-up to the Blue Ribbon Committee Report was done in June 1998 by the Operation Review Team. Due to the elapse of time and change in operating procedures, many of the recommendations do not currently apply. The relevant comments will be considered during this audit.</p> <p>FASTER, a software system supported by CCG Systems was installed in August 1998. The four components of the system include Asset Management, the Work Order Process, Fuel Management and System Administration. CCG Systems provides all users with 17 benchmarks in all areas of fleet management.</p>																					
<i>Statistics</i>																						
	<p>Budgeted</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;"><u>FY</u></th> <th style="text-align: right;"><u>Annual Expenditures</u></th> <th style="text-align: right;"><u>Authorized Staff</u></th> </tr> </thead> <tbody> <tr> <td>00</td> <td style="text-align: right;">\$7,206,000</td> <td style="text-align: right;">70</td> </tr> <tr> <td>99</td> <td style="text-align: right;">7,972,000</td> <td style="text-align: right;">74</td> </tr> <tr> <td>98</td> <td style="text-align: right;">7,991,000</td> <td style="text-align: right;">74</td> </tr> <tr> <td>97</td> <td style="text-align: right;">8,620,000</td> <td style="text-align: right;">78</td> </tr> <tr> <td>96</td> <td style="text-align: right;">8,970,000</td> <td style="text-align: right;">89</td> </tr> </tbody> </table>	<u>FY</u>	<u>Annual Expenditures</u>	<u>Authorized Staff</u>	00	\$7,206,000	70	99	7,972,000	74	98	7,991,000	74	97	8,620,000	78	96	8,970,000	89			
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<i>Planning the Audit</i>																						
	<ol style="list-style-type: none"> 1. Print Quality Control Package and process Auditor Assignment and Independence Statement page. 2. Prepare and send an entrance letter to applicable personnel in the area under review. 																					

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	<ol style="list-style-type: none"> 3. Prepare a planning program and include a time budget for the preliminary survey work. 4. Conduct an in-house review of the following: <ol style="list-style-type: none"> a) Financial Data b) Internal Policy & Procedures Manuals c) Applicable Rules, Laws and Regulations, and d) Prior internal audit reports and management comments 5. 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. 6. Begin Preliminary Survey by interviewing the appropriate personnel in the Auditee Department. Document the interviews with narratives in the work file. 7. 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.) 8. After gaining an understanding of various functions, conduct several transaction walk-throughs. Revise documentation as necessary. 9. Prepare a survey memo listing the strengths and weaknesses of the system. Discuss the areas of greatest risk and exposure to the City. Also, include suggested audit objectives and test procedures. Discuss with Audit Supervisor and the Deputy Director. 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. 11. Clear review notes and revise the audit program, if necessary. 			
<i>Audit Scope</i>				
	<p>Based on the work performed during the preliminary survey and the assessment of risk, the audit period will cover the Fleet Operations from September 1, 1999 to February 29, 2000, except for comparing vehicle maintenance costs with the current replacement policy cost where the period will be the life of the vehicles in the sample. Fleet-wide parts usage will be tested for the FY99 period covering October 1, 1998 through September 30, 1999.</p>			
<i>Audit Objectives</i>				
	<ol style="list-style-type: none"> 1. Determine if FASTER system information is accurate and reliable. 2. Determine if the assigned operating lives of sedan line vehicles are cost effective. 3. Determine if Preventive Maintenance is performed on each sedan line vehicle on a timely basis and in accordance with manufacturer's recommendations. 4. Determine if the FASTER system is setup to correctly identify all vehicles for which Fleet has maintenance responsibility. 5. Determine frequency of reworks. 6. Determine if vehicle down time (the service-related causes for units being unavailable to users) in the sedan line is excessive. 7. Examine process to identify parts to be added to inventory as a regularly stocked item. 			

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	8. Examine process to identify 'obsolete' parts and obtain the proper approvals to remove from inventory. 9. Determine if parts usage Fleet-wide is excessive.			
<i>Objective 1: Determine if FASTER system information is accurate and reliable.</i>				
	10. Obtain report samples. 11. Assess reports for reasonableness. 12. Obtain Fleet Management assistance where required. 13. Obtain historical sample to be used in Objective #2. 14. Select random sample for testing. 15. Compare historical information for vehicles to accumulated total entered in FASTER system. Note exceptions. 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.			
<i>Objective 2: Determine if the assigned operating lives of sedan line vehicles are cost effective.</i>				
	18. Request maintenance history for all 1993 and newer marked police vehicles and 1993 Tempos. 19. Exclude TPD units assigned to Ernie Haire Ford for maintenance. 20. Select random sample for testing. 21. Group like vehicles for analysis. 22. Analyze maintenance costs. 23. Determine if current City of Tampa vehicle replacement policy based on an age of seven years is cost effective. 24. Discuss any audit findings with the Audit Supervisor, Deputy Director and Audit Director. After receiving their approval discuss audit findings with Auditee management. 25. Summarize and conclude.			
<i>Objective 3: Determine if Preventive Maintenance is performed on each sedan line vehicle on a timely basis and in accordance with manufacturer's recommendations.</i>				
	26. Obtain a copy of Fleet Maintenance's established policy for frequency of sedan line PMs. 27. Determine work performed during PM per interview/task list. 28. Compare Fleet's scheduled maintenance frequency/items to manufacturer's recommendations. Note exceptions. 29. Request a listing of all closed preventive maintenance (PM) work orders started in the six-month period from 9/1/99 through 2/29/00 for the sedan line. 30. Select random sample for testing. 31. Compare work performed on vehicles to task list. Note exceptions. 32. Request a listing of all vehicles in the Sedan Line.			

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	<p>33. Select random sample for testing.</p> <p>34. Determine that each vehicle received timely PM work in accordance with Fleet's policies. Note exceptions.</p> <p>35. 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>36. Summarize and conclude.</p>			
<i>Objective 4: Determine if the FASTER system is setup to correctly identify all vehicles for which Fleet has maintenance responsibility.</i>				
	<p>37. Request list from Tampa Police Department (TPD) of all marked units which are Fleet-maintained.</p> <p>38. Compare entire population to computer screen in FASTER.</p> <p>39. Ensure the vehicle PM system "flags" are input for that vehicle. Note exceptions.</p> <p>40. Additionally, choose an arbitrary sample of thirty marked police units maintained by Ernie Haire Ford.</p> <p>41. Compare sample to computer screen in FASTER.</p> <p>42. Ensure the vehicle PM system "flags" are not input for that vehicle. Note exceptions.</p> <p>43. 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>44. Summarize and conclude.</p>			
<i>Objective 5: Determine frequency of reworks.</i>				
	<p>45. Sort population sample of all closed work orders from 9/1/99 to 2/29/00 by unit number.</p> <p>46. Examine report for units with more than one work order during a 30-day period for inclusion in sample.</p> <p>47. Examine work orders to determine if a possible rework exists.</p> <p>48. Determine frequency. Compare to industry standards.</p> <p>49. Determine if user department was properly credited for rework charges. List exceptions.</p> <p>50. 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>51. Summarize and conclude.</p>			
<i>Objective 6: Determine if vehicle down time (the service-related causes for units being unavailable to users) in the sedan line is excessive.</i>				
	<p>52. Sort population sample of all closed work orders from 9/1/99 to 2/29/00 by outstanding hours.</p> <p>53. Exclude "N/A" units from sample.</p> <p>54. Figure percentage of work orders broken down by hour categories.</p> <p>55. Assess sample for reasonability. Solicit assistance from Fleet Operations.</p> <p>56. Summarize and conclude.</p>			

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	57. If reports are found to be accurate and reasonable, obtain a population for sample. 58. Select random sample for testing. 59. Note down times by task. 60. Compare to industry standards. Note exceptions. 61. Discuss any audit findings with the Audit Supervisor, Deputy Director and Audit Director. After receiving their approval discuss audit findings with Auditee management. 62. Summarize and conclude.			
<i>Objective 7: Examine process to identify parts to be added to inventory as a regularly stocked item.</i>				
	63. Determine if any written policies/procedures exist. 64. Determine if any memos/letters from supervisors have been written on this function. 65. If written authoritative data exists, determine if it is properly implemented. 66. Discuss any audit findings with the Audit Supervisor, Deputy Director and Audit Director. After receiving their approval discuss audit findings with Auditee management. 67. Summarize and conclude.			
<i>Objective 8: Examine process to identify 'obsolete' parts and obtain the proper approvals to remove from inventory.</i>				
	68. Determine if any written policies/procedures exist. 69. Determine if any memos/letters from supervisors have been written on this function. 70. If written authoritative data exists, determine if it is properly implemented. 71. Discuss any audit findings with the Audit Supervisor, Deputy Director and Audit Director. After receiving their approval discuss audit findings with Auditee management. 72. Summarize and conclude.			
<i>Objective 9: Determine if parts usage Fleet-wide is excessive.</i>				
	73. Request parts usage history Fleet-wide for tires, batteries and brakes for October 1, 1998 through September 30, 1999. 74. Review reports for vehicles with high volume parts usage/frequency. 75. Select random sample for testing. 76. Compare to industry standards. Note exceptions. 77. Review exceptions with management for explanations and/or system inaccuracies. 78. Discuss any audit findings with the Audit Supervisor, Deputy Director and Audit Director. After receiving their approval discuss audit findings with Auditee management. 79. Summarize and conclude.			
<i>Audit Wrap Up</i>				
	80. Complete and index working papers.			

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	81. Prepare a preliminary draft of the audit report. 82. Clear review notes. 83. Forward draft to auditee and request responses within 10 working days. 84. Incorporate auditee responses into the final audit report. 85. If requested, schedule and hold exit conference. 86. Quality Control Checklist of the Quality Control Package to be completed by the Deputy Director. 87. Present the audit report to the Mayor.			