

**City of Tampa
Internal Audit Department
Audit Program Guide
Dealership Maintenance Program
Audit 00-23**

Budget Hours	Audit Procedures	Done By	W/P Ref.						
<i>Background</i>									
	<p>Ernie Haire Ford (EHF), Inc. currently performs maintenance on 512 Tampa Police Department units. The current contract is in the first of two one-year renewable options. The last option will run from January 1, 2001, through December 31, 2001. These vehicles represent approximately 2/3 of TPD's fleet.</p> <p>The contract is administered and tracked by Sgt. Allen Shaffer (contract administration) and Steve Lambert (administrative tracking functions). An Access 97 database is used to track the maintenance costs, warranty costs and credits. Other sources of charges are also entered, including glass services, towing and body shop work.</p> <p>This is a first time audit of the outsourcing of TPD maintenance work. The original contract was effective February 4, 1999, through December 31, 1999 and was renewable for two additional one-year periods at an estimated expenditure of \$300,000.00. Resolution No. 99-1534 passed on September 30, 1999, increased the estimated expenditures by an additional \$200,000.00. Resolution No. 99-1881 passed on December 16, 1999 extended the contract for the first additional one-year period beginning January 1, 2000, and ending December 31, 2000. There is one additional period remaining on the contract. If exercised, the period would run from January 1, 2001, through December 31, 2001.</p>								
<i>Statistics</i>									
	<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;"></th> <th style="text-align: center; width: 20%;"><u>FY00</u></th> <th style="text-align: center; width: 20%;"><u>FY99</u></th> </tr> </thead> <tbody> <tr> <td>Ernie Haire Ford, Inc. Contract Maintenance Costs*</td> <td style="text-align: center;">\$571,218</td> <td style="text-align: center;">\$300,542**</td> </tr> </tbody> </table> <p>*Source: City of Tampa FAMIS system ** FY99 figure includes period 2/4/99 through 9/30/99</p> <p>Note: Figures include tire costs paid by City of Tampa for use by Ernie Haire Ford</p>		<u>FY00</u>	<u>FY99</u>	Ernie Haire Ford, Inc. Contract Maintenance Costs*	\$571,218	\$300,542**		
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Ernie Haire Ford, Inc. Contract Maintenance Costs*	\$571,218	\$300,542**							
<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. 3. Prepare a planning program and include a time budget for the preliminary survey work. 4. Conduct an in-house review of the following: 								

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	<ul 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 <ol style="list-style-type: none"> 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. 		
Audit Scope			
	Based on the work performed during the preliminary survey and the assessment of risk, the audit period will cover the maintenance of TPD vehicles assigned under contract to EHF from February 4, 1999 to September 30, 2000. The current contract began February 4, 1999.		
Audit Objectives			
	<ol style="list-style-type: none"> 1. Ensure database accuracy. 2. Determine if there was documented compliance with the TPD police vehicle maintenance contract. 3. Ensure completeness of database information. 		
Objective 1: Ensure database accuracy.			
	<ol style="list-style-type: none"> 1. Obtain a listing of all TPD units assigned to Ernie Haire Ford (EHF), Inc. for maintenance. 2. Select a random sample of applicants using a confidence level of 90%, an expected error rate of 5%, and a desired precision of +/- 5%. 3. Obtain a maintenance printout for each unit from the Access 97 database since assignment to EHF. 4. Compare EHF invoices in the vehicle file to Access 97-database maintenance printout for each unit. 5. Note discrepancies. 6. Discuss any exceptions with TPD. 		

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	7. Discuss any audit findings with the Audit Supervisor, Deputy Director and Audit Director. After receiving their approval discuss audit findings with Auditee management. 8. Summarize and conclude.		
<i>Objective 2: Determine if there was documented compliance with the TPD police vehicle maintenance contract.</i>			
	9. Obtain copy of current contract. 10. Review the contract for any special conditions or requirements. 11. Determine if a method was in place to document compliance with the special conditions. 12. Review procedures followed to ensure compliance by the contractor. 13. Note exceptions. 14. Discuss any discrepancies noted with TPD and Ernie Haire Ford, Inc. 15. Discuss any audit findings with the Audit Supervisor, Deputy Director and Audit Director. After receiving their approval discuss audit findings with Auditee management. 16. Summarize and conclude.		
<i>Objective 3: Ensure completeness of database information.</i>			
	17. Obtain latest copy of EHF statement. 18. Choose 15 items judgmentally. 19. Trace items to determine status relative to Access 97 database. 20. Discuss discrepancies with TPD and Ernie Haire Ford, Inc. 21. Discuss any audit findings with the Audit Supervisor, Deputy Director and Audit Director. After receiving their approval discuss audit findings with Auditee management. 22. Summarize and conclude.		
<i>Audit Wrap Up</i>			
	23. Complete and index working papers. 24. Prepare a preliminary draft of the audit report. 25. Clear review notes. 26. Forward draft to auditee and request responses within 10 working days. 27. Incorporate auditee responses into the final audit report. 28. If requested, schedule and hold exit conference. 29. Quality Control Checklist of the Quality Control Package to be completed by the Deputy Director. 30. Present the audit report to the Mayor.		