

**City of Tampa
Internal Audit Department
Audit Program Guide
Fleet Sublet
02-24**

Budget Hours	Audit Procedures	Done By	W/P Ref.																				
<i>Background</i>																							
	<p>Logistics is a section of the Fleet Maintenance Division in the Public Works Department. It is responsible for the sublet and warranty work of the City's vehicles including the coordination of customer service when vehicles are brought in for service and the notification of customers when work is completed. The Section is also responsible for the receiving and accounting of new vehicles and the disposal of old vehicles.</p> <p>The Section is budgeted for four (4) positions, one that is currently vacant. Two employees are responsible for the Fleet sublet and warranty work. The third employee coordinates the receiving of new vehicles and the disposal of old ones. The vacant position is for a service writer, who assess vehicle problems, writes up work orders and notifies the customer when the maintenance work is complete.</p>																						
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	<p><u>STATISTICS</u></p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 30%;"></th> <th style="text-align: center;">Fiscal Year <u>2001</u></th> <th style="text-align: center;">Fiscal Year <u>2000</u></th> <th style="text-align: center;">Fiscal Year <u>1999</u></th> </tr> </thead> <tbody> <tr> <td>Employee Costs</td> <td style="text-align: right;">\$ 185,916</td> <td style="text-align: right;">\$ 189,342</td> <td style="text-align: right;">\$ 165,725</td> </tr> <tr> <td>Other Section Costs</td> <td style="text-align: right;">2,443</td> <td style="text-align: right;">2,855</td> <td style="text-align: right;">3,215</td> </tr> <tr> <td>Sublet Costs</td> <td style="text-align: right;"><u>634,366</u></td> <td style="text-align: right;"><u>596,370</u></td> <td style="text-align: right;"><u>813,790</u></td> </tr> <tr> <td>Total Costs</td> <td style="text-align: right;"><u>\$ 822,725</u></td> <td style="text-align: right;"><u>\$ 788,567</u></td> <td style="text-align: right;"><u>\$ 982,730</u></td> </tr> </tbody> </table>		Fiscal Year <u>2001</u>	Fiscal Year <u>2000</u>	Fiscal Year <u>1999</u>	Employee Costs	\$ 185,916	\$ 189,342	\$ 165,725	Other Section Costs	2,443	2,855	3,215	Sublet Costs	<u>634,366</u>	<u>596,370</u>	<u>813,790</u>	Total Costs	<u>\$ 822,725</u>	<u>\$ 788,567</u>	<u>\$ 982,730</u>		
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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. 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 																						

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	<p>conduct the fieldwork portion of the audit.</p> <ol style="list-style-type: none"> 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 operations of the Logistics Section from October 1, 2000 to September 30, 2001.		
Audit Objectives			
	<ol style="list-style-type: none"> 1. Determine if the established criteria for allowing vehicle sublet repairs were satisfied. 2. Determine if service providers utilized to perform sublet work were approved vendors. 		
Objective 1: Determine if the established criteria for allowing vehicle sublet repairs were satisfied.			
	<ol style="list-style-type: none"> 1. Obtain detail listings of all work order sublet transactions initiated during the audit period. 2. Calculate a sample size and selections using a confidence level of 95%, an expected error rate of 5% and a desired precision of +/- 5%. 3. Schedule out each sublet selected in the random sample, indicating work order number, date, vehicle number, vendor assigned to and repair description. 4. Determine if the repair met established sublet criteria including approvals by a Fleet Maintenance Supervisor and a Logistics Section employee. 5. Determine the reason if criteria for a sublet were not satisfied. 6. Discuss any audit findings with the Audit Supervisor, Deputy Director and Audit Director. After receiving their approval discuss audit findings with Auditee management. 7. Summarize and conclude. 		

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	<i>Objective 2: Determine if service providers utilized to perform sublet work were approved vendors.</i>		
	<ul style="list-style-type: none"> 8. Obtain a listing of sublet service providers that were approved vendors in accordance with City policy. 9. Utilizing the statistical sample in Objective 1, determine if the sublet service providers used were approved vendors. 10. Determine if charges by contracted vendors were consistent with the terms of the agreement. 11. Determine if the use of the “Conditions and Circumstances” authorization form was consistent with City Purchasing Policy. 12. Discuss any audit findings with the Audit Supervisor, Deputy Director and Audit Director. After receiving their approval discuss audit findings with Auditee management. 13. Summarize and conclude. 		
	<i>Audit Wrap Up</i>		
	<ul style="list-style-type: none"> 14. Complete and index working papers. 15. Prepare a preliminary draft of the audit report. 16. Clear review notes. 17. Forward draft to auditee and request responses within 10 working days. 18. Incorporate auditee responses into the final audit report. 19. If requested, schedule and hold exit conference. 20. Quality Control Checklist of the Quality Control Package to be completed by the Deputy Director. 21. Present the audit report to the Mayor. 		