

**City of Tampa
Internal Audit Department
Audit Program Guide
Heavy Equipment Repair
02-22**

Budget Hours	Audit Procedures	Done By	W/P Ref.																
Background																			
	<p>The Fleet Maintenance Division of the Public Works Department is responsible for vehicle related service for approximately 2,700 units. Heavy equipment (vehicles) comprises almost 20% of that number with 514 units as of September 30, 2001. Heavy equipment, for purposes of this audit, is defined as all trucks over 1.5 tons and construction equipment. Heavy equipment services provided by Fleet Maintenance include:</p> <ul style="list-style-type: none"> • Acquisitions Review • Preventative Maintenance • Repairs • Monitoring Repair Costs to Vehicles Value • Subcontracting (Sublet) Where Appropriate • Monitoring Performance • Oversight of Warranty Work • Maintenance of Vehicle Repair and Preventative Maintenance Histories • Arranging for Disposal and Replacement <p>The Division utilizes FASTER, a software system supported by CCG Systems installed in August 1998. The system has four components including the Work Order Process, System Administration, Asset Management and Fuel Management. The audit concentrated mainly on the Work Order Process component for the testing of repairs relating to heavy equipment.</p>																		
Statistics																			
	<p><u>STATISTICS- FLEET MAINTENANCE SUPPORT</u></p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 30%;"></th> <th style="text-align: center; width: 20%;">Fiscal Year <u>2001</u></th> <th style="text-align: center; width: 20%;">Fiscal Year <u>2000</u></th> <th style="text-align: center; width: 20%;">Fiscal Year <u>1999</u></th> </tr> </thead> <tbody> <tr> <td>Employee Costs</td> <td style="text-align: right;">\$ 2,461,427</td> <td style="text-align: right;">\$ 2,479,641</td> <td style="text-align: right;">\$ 2,392,514</td> </tr> <tr> <td>Other Section Costs</td> <td style="text-align: right;">149,541</td> <td style="text-align: right;">220,766</td> <td style="text-align: right;">206,236</td> </tr> <tr> <td> Total Costs</td> <td style="text-align: right;"> <u>\$ 2,610,968</u></td> <td style="text-align: right;"> <u>\$ 2,700,407</u></td> <td style="text-align: right;"> <u>\$ 2,598,750</u></td> </tr> </tbody> </table> <p>Source: Operating and Personal Services expenditures were obtained from the City's Financial System. Note that numbers include all Maintenance Support Personnel since Heavy Equipment Repair Personnel are not broken out Separately in the City's Financial System.</p>		Fiscal Year <u>2001</u>	Fiscal Year <u>2000</u>	Fiscal Year <u>1999</u>	Employee Costs	\$ 2,461,427	\$ 2,479,641	\$ 2,392,514	Other Section Costs	149,541	220,766	206,236	 Total Costs	 <u>\$ 2,610,968</u>	 <u>\$ 2,700,407</u>	 <u>\$ 2,598,750</u>		
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Planning the Audit																			
	<p>1. Print Quality Control Package and process Auditor Assignment and Independence Statement page.</p>																		

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	<ol style="list-style-type: none"> 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 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 operations of Fleet Maintenance from October 1, 2000 to September 30, 2001.		
Audit Objectives			
	<ol style="list-style-type: none"> 1. Determine if heavy equipment repairs were economically feasible. 2. Determine if Fleet Maintenance customers were satisfied with repairs performed on heavy equipment. 		
Objective 1: Determine if heavy equipment repairs were economically feasible.			
	<ol style="list-style-type: none"> 1. Obtain detail listings of all heavy equipment/vehicles that were in service 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 vehicles selected in the random sample, indicating asset number/description, department, in-service date, original cost and total repair 		

Budget Hours	Audit Procedures	Done By	W/P Ref.
	<p>costs lifetime to date.</p> <p>4. Compare total lifetime repair costs to original vehicle cost and determine if repairs were economically feasible.</p> <p>5. 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>6. Summarize and conclude.</p>		
<i>Objective 2: Determine if Fleet Maintenance customers were satisfied with repairs performed on heavy equipment.</i>			
	<p>7. Obtain detail listing of all work orders for heavy equipment repairs initiated within the last two months.</p> <p>8. On a judgmental basis, select a number of work orders from the listing above, and perform a customer satisfaction survey.</p> <p>9. 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>10. Summarize and conclude.</p>		
<i>Audit Wrap Up</i>			
	<p>11. Complete and index working papers.</p> <p>12. Prepare a preliminary draft of the audit report.</p> <p>13. Clear review notes.</p> <p>14. Forward draft to auditee and request responses within 10 working days.</p> <p>15. Incorporate auditee responses into the final audit report.</p> <p>16. If requested, schedule and hold exit conference.</p> <p>17. Quality Control Checklist of the Quality Control Package to be completed by the Deputy Director.</p> <p>18. Present the audit report to the Mayor.</p>		