

**LOGISTICS AND ASSET MANAGEMENT
FACILITY MANAGEMENT DIVISION
AUDIT 17-15
MARCH 19, 2018**



CITY OF TAMPA

Bob Buckhorn, Mayor

Internal Audit Department

Christine Glover, Internal Audit Director

March 19, 2018

Honorable Bob Buckhorn
Mayor, City of Tampa
1 City Hall Plaza
Tampa, Florida

RE: Logistics and Asset Management - Facility Management Division, Audit 17-15

Dear Mayor Buckhorn:

Attached is the Internal Audit Department's report on Facility Management.

Facility Management has already taken positive actions in response to our recommendations. We thank the management and staff of the Facility Management Division for their cooperation and assistance during this audit.

Sincerely,

/s/ Christine Glover

Christine Glover
Internal Audit Director

cc: Dennis Rogero, Chief of Staff
Sonya Little, Chief Financial Officer
Ernest Mueller, Chief Assistant City Attorney
Ocea Lattimore, Director of Logistics and Asset Management
Keith Bruton, Facility Manager

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/s/ Vivian Walker

Vivian Walker, Auditor

/s/ Christine Glover

Christine Glover, Audit Director

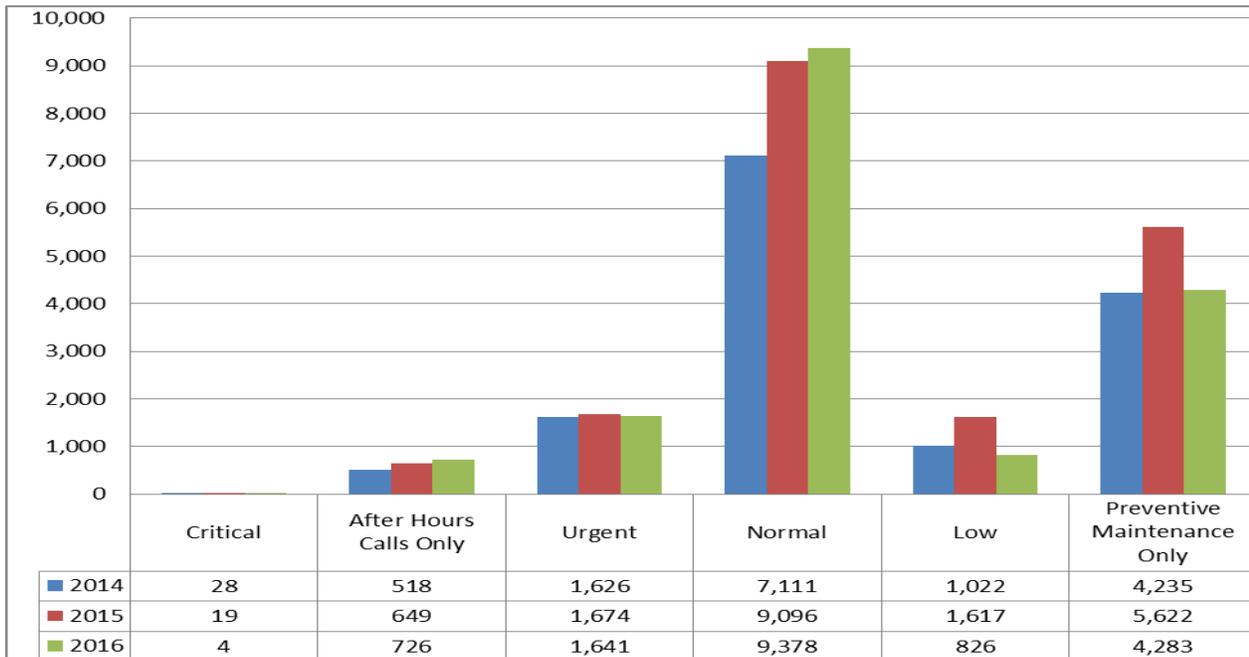
**LOGISTICS AND ASSET MANAGEMENT
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BACKGROUND

The City of Tampa (City) has more than 500 facilities that require maintenance. This is the responsibility of the Facility Management Division (Division) within the Department of Logistics and Asset Management. The Division has an authorized staffing level (FY17) of 61, although during the audit there were 10 vacancies. The Facility Manager’s position was filled as of September 2017.

In addition to City staff, the Division has contracts with vendors for various types of services including: plumbing, roofing, electrical, and cleaning. These contracts are used for emergency services in addition to preventive maintenance. **EXHIBIT A** below shows work orders completed by City staff – categorized by priority – for the past three calendar years:

EXHIBIT A



Priorities are defined as:

- Critical: system failure or safety hazard that affects a portion of a building or area with a potential shutting down of area.
- After Hours Calls Only (Emergency): same as Critical, except occurs after hours.
- Urgent: system failure that significantly effects the working environment or a small portion of an area or serious safety hazard.
- Normal: failures that create minor issues for the building or working environment.
- Low: miscellaneous building requests that enhance or upgrade existing buildings or spaces.
- Preventive Maintenance/Routine: scheduled maintenance/preventive maintenance.

STATEMENT OF OBJECTIVES

This audit was conducted in accordance with the Internal Audit Department's FY2017 Audit Agenda. The objectives of this audit were to ensure that:

1. Internal controls for the issuance and subsequent payment of work orders related to the work of outside vendors was properly segregated.
2. Overtime incurred during the audit scope was for valid tasks and properly approved.
3. Outstanding work order requests were properly prioritized.
4. Purchasing card use during the audit scope was valid and properly approved.

STATEMENT OF SCOPE

The audit period covered Division activity that occurred from October 1, 2016, to June 30, 2017. Tests were performed to determine whether the Division was fulfilling their stated duties and responsibilities in an effective and efficient manner. Original records as well as copies were used as evidence and verified through observation and physical examination.

STATEMENT OF METHODOLOGY

To accomplish the stated objectives the following procedures were performed:

- Reviewed purchasing card receipts for proper approval and tracing to the work order software system.
- Reviewed request for overtime authorization for proper approval and tracing to the work order software system.
- Reviewed work order system for status of outstanding work orders for proper prioritization.

Sampled records were selected using Automated Command Language (ACL) and the criteria of 90% confidence and 10% error rate. However, for the review of outstanding work orders an additional 10 items were judgmentally selected using ACL.

The Division uses a work order software system known as WebTMA. Data reliability for WebTMA was evaluated during a prior audit of Facility Management and deemed reliable.

STATEMENT OF AUDITING STANDARDS

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

AUDIT CONCLUSIONS

Based upon the work performed and the audit recommendations noted below, we conclude that:

1. Internal controls related to the issuance and subsequent payment of work orders related to the work of outside vendors is properly segregated.
2. Overtime incurred during the audit scope was for valid tasks but not always properly approved.
3. Outstanding work order requests are not always properly prioritized.
4. Purchasing card use during the audit scope is valid and properly approved.

OUTSTANDING WORK ORDERS

STATEMENT OF CONDITION: The Facility Management work order system (WebTMA) lists more than 6,800 work orders as outstanding and dates ranged from April 2004 through June 2017. Using ACL, a random sample of 24 work orders was selected to review. Due to the age of the items, 10 additional work orders dated before January 1, 2016, were also reviewed.

This review identified 14 work orders with labor hours and / or materials recorded in WebTMA. Follow-up by Management indicated that these items should have been closed.

There were seven work orders listed as Routine/PM only. These types of work orders are intended to be completed on an annual basis. However, if the prior year's work order is not completed, WebTMA still auto-generates a new work order. A discussion with Management indicated that the system has two options for how routine/pm work orders can be created. The options are labeled: "fixed" and "floating". Currently the setting is on "fixed" that automatically generates a work order on a pre-established interval.

CRITERIA: Work order schedules should be based on accurate and current requests for maintenance.

CAUSE: Multiple work orders for the same request were identified upon research by Management. Additionally, the routine work orders were being generated based on a system option.

EFFECT OF CONDITION: Deterioration of facilities due to untimely response when work order requests are inaccurate.

RECOMMENDATION 1: The current backlog should be evaluated and properly purged of invalid or outdated requests. Upon establishing legitimate requests, a valid prioritization method should be established and followed. This should include a follow-up process that will ensure requests are still valid after a pre-determined period of time lapses with no work being performed and if not, the work order request should be closed/cancelled.

Management should change the system settings in WebTMA for routine/pm work orders from the current setting of "fixed" to the option of "floating" in order to restrict when work orders are generated.

MANAGEMENT RESPONSE: Facility Management agrees with the recommendation of evaluating and purging outdated, completed and invalid requests. A process will be established to properly prioritize work requests and follow-up. The follow-up process will be for six months after work requested is scheduled. If no work is performed due to budget, departmental approval or duplication the work order shall be closed/canceled.

Management shall change the setting in WebTMA for routine/pm work orders from "fixed" to "floating" for Annual Inspections. The routine/pm work orders for HVAC, Garage Door and similar preventive maintenance are contracted out to vendors who are required to complete these, as per contract, will need to remain fixed.

Because there have been updates to the WebTMA software, additional training is required of the WebTMA Administrators to ensure that the management staff is kept abreast of the changes related to the preventative maintenance concepts and the advances in building inspections. By participating in the WebTMA Systems conference in April 2018, the Facility Management team will be able to receive classroom instructions and hands-on training to better manage the work order data, to prioritize work requests, and to maintain the WebTMA software system.

TARGET IMPLEMENTATION DATE: May 1, 2018

OVERTIME

STATEMENT OF CONDITION: The authorization for overtime form was not always approved in advance by the Logistics and Asset Manager or designee (Facility Manager). Also, based on recorded tasks completed and priority codes assigned, overtime may not have been warranted. A sample of 24 employees was selected to review overtime activity; 1 employee had no overtime recorded.

Based on the work order number provided on the overtime authorization forms, the priority levels were listed in WebTMA as follows:

- Fourteen - normal
- Two – urgent / emergency – after hours
- One - low

Based on the priority levels indicated above, overtime does not appear to have been justified for 15 (88%) of the 17 applicable sampled items (normal and low priorities).

Four request for overtime authorization forms could not be located. The following observations were made related to the authorization forms reviewed:

- Fifteen were not approved either in advance and / or after completion of the tasks assigned.
- Three did not document the overtime hours in the work order system (WebTMA).

CRITERIA: The City of Tampa's Personnel Manual Section B4.1A Policy states that "all overtime shall be limited to the accomplishment of work that is determined by management to be mission essential" and that the request should include the "department director's approval/disapproval prior to working the overtime assignment." The policy also requires an explanation of why the work "cannot" be performed during regularly assigned work hours.

For determining response times, Facility Management's internal priority levels are as follows:

<u>Priority Level</u>	<u>Response Time</u>
Critical/Emergency/After-Hours	Immediate, work until resolution complete
Urgent	Same day, resolution dependent upon conditions
Normal	Response within 5 days
Low	Variable, based on available resources
Routine (Prev Maintenance)	Scheduled

Additionally, the accuracy of costs to maintain City facilities is dependent upon records maintained in WebTMA. Therefore, all labor costs used in maintenance projects should be recorded in WebTMA.

CAUSE: The Division implemented mandatory 16 hours of overtime in an effort to address the volume of outstanding work orders. Staff size was reduced by six positions as a result of budget reductions and there are currently six vacancies. Additionally, work orders may not have been assigned the proper priority classification, which would have justified the need to incur overtime hours to complete the assigned task.

EFFECT OF CONDITION: Lack of compliance with the City's overtime policy. Unnecessary overtime expenditures for non-critical tasks.

RECOMMENDATION 2: Management should re-evaluate the assignment of overtime to better align with those tasks they have been designated as either Urgent or an Emergency. Additionally, when overtime is required, the request should be approved in advance and documented with the date verbal approval was obtained. Upon completion of the assigned tasks, the actual hours worked should be recorded and proper approval documented.

Management should develop a procedure that would provide support that all costs related to each work order have been verified as being accurately recorded in WebTMA.

MANAGEMENT RESPONSE: Facility Management agrees with the recommendation to better manage the assignment of overtime and to properly approve overtime in advance that is required. Facility Management will implement necessary steps to assign proper priority classifications to work orders to justify the need.

Prior to the Facility Management internal audit, the Department of Logistics and Asset Management Director and Facility Management Manager conducted a review and evaluation of overtime assignments within a team's work center.

Based on the observations, changes will be made in how emergency calls are disseminated by the after hour call center and in how the standby personnel prioritize calls to respond. Additionally, the team members' work schedules will be changed to mitigate the use of overtime by assigning staff to work during times of heavy workloads. All work teams in Facility Management will be evaluated in a similar fashion to ensure efficiencies in the work centers are realized to minimize overtime, when possible.

To further reduce the need for overtime, Facility Management has implemented an aggressive hiring protocol to fill all vacant positions within the Division.

TARGET IMPLEMENTATION DATE: May 1, 2018

OFF-SITE STORAGE

STATEMENT OF CONDITION: City of Tampa (City) departments that no longer require use of various types of office furniture will request removal by Facility Management. In an effort to be efficient, Facility Management stores these items in anticipation of future use. Currently, there are 49 rented units (approximately 8,000 square feet) located at five different off-site storage vendor's locations.

However, there is no catalog/inventory of each unit's contents. Additionally, at least five separate employees use the same code and have keys to the units, with no record being kept of who accesses a unit and what is either stored or removed.

A tour of six units was performed with an employee from Facility Management. Three of the units opened housed furniture for a City department in the process of relocating. The remaining units, as well as pictures provided by Facility Management, reflected multiple pieces of the same items – modular office partitions, desk units with color schemes no longer used by any department within the City, and other desk accessories.

CRITERIA: Prudent business practices would dictate maintaining an accurate inventory of City assets and their location. Additionally, a realistic perspective for future use should be the primary reason for retaining items a department has requested be removed.

CAUSE: Management has retained items in an effort to be efficient with future repair needs and to provide temporary office setups when required.

EFFECT OF CONDITION: The City is incurring costs that may be avoidable by renting off-site storage units as well as insuring and / or securing assets with potentially no value.

RECOMMENDATION 3: Management should prioritize creating an inventory and evaluating for practical future use the contents of all storage units. For those items deemed disposable, the Fixed Assets Division of Revenue and Finance should be contacted and the appropriate procedures followed.

The number of employees with access should be restricted or each employee should be given a unique access code to provide a method of assigning responsibility.

Until these items are removed from the City records, they should be included in the annual inventory of City assets.

MANAGEMENT RESPONSE: Facility Management agrees with the recommendation to better manage the City's assets located in offsite storage facilities. With assistance from the City of Tampa's Property Control, an evaluation is being conducted to inventory and identify furniture that is no longer used, obsolete, and not economically repairable. The identified furniture will be removed from inventory and properly disposed of. Facility Management will also implement necessary steps to restrict access to the offsite storage.

The City of Tampa leased the Howard Street Warehouse building to consolidate assets managed by Facility Management. As inventory is added to the building, an inventory control process is being conducted by adding asset tags to furniture and photos taken of assets, upon arrival. The assets are organized in a systematic matter to ensure a quick retrieval, when needed. All storage units are expected to be emptied by March 2018, with the remaining inventory systematically placed in the Howard Street Warehouse building.

TARGET IMPLEMENTATION DATE: April 1, 2018

RECORDS RETENTION

STATEMENT OF CONDITION: Facility Management does not actively purge records that have met the requirements of the State of Florida's retention guidelines. Specifically, no records have been removed from the WebTMA software system related to inspections of fire extinguishers, inspections of facilities for fire, safety, or health concerns, and documents related to projects.

CRITERIA: State of Florida's General Records Schedule GS1-SL for State and Local Government Agencies identifies the following retention guidelines:

- Fire/Safety/Security/Health Inspections: 4 calendar years after inspection
- Fire Extinguisher Inspections: 1 anniversary year or life of equipment, whichever is sooner
- Project Files - Operational: 3 fiscal years

CAUSE: Management retained documentation to support costs related to projects.

EFFECT OF CONDITION: Retention of information in excess of the state requirement could expose the City to potential legal liability. Currently, there are no restrictions on data, however, future storage of data on the vendor's website could become excessive and result in a fee assessment.

RECOMMENDATION 4: Management should consult with the City of Tampa's Archives and Records Division for support in ensuring compliance with the State requirements.

MANAGEMENT RESPONSE: Facility Management agrees with Internal Audit's recommendation. The division will take steps to work with the City of Tampa's Archives and Records Division to discuss and ensure compliance with the State's requirements.

After participation in the TMA Systems Conference in April 2018, changes will be made to the WebTMA system to ensure a seamless process in identifying and purging records. Involvement may be needed from the T&I Department for system management.

TARGET IMPLEMENTATION DATE: June 1, 2018