

**LOGISTICS & ASSET MANAGEMENT
FLEET MAINTENANCE DIVISION
AUDIT 20-15
May 17, 2021**



City of Tampa

Jane Castor, Mayor

Internal Audit Department

315 E. Kennedy Boulevard
Tampa, Florida 33602

Office (813) 274-7159

May 17, 2021

Honorable Jane Castor
Mayor, City of Tampa
1 City Hall Plaza
Tampa, Florida

RE: Logistics and Asset Management Department - Fleet Maintenance Division, Audit 20-15

Dear Mayor Castor:

Attached is the Internal Audit Department's report on Fleet Maintenance Division.

We thank the aforementioned management and staff for their cooperation and assistance during this audit.

Sincerely,

/s/ Christine Glover

Christine Glover
Internal Audit Director

cc: John Bennett, Chief of Staff
Dennis Rogero, Chief Financial Officer
Jean Duncan, Infrastructure and Mobility Administrator
Sal Ruggiero, Infrastructure Services Deputy Administrator
Adriana Colina, Logistics & Asset Management Director
Gary Stewart, Fleet Manager
Brian Morrison, Assistant City Attorney II

**LOGISTICS & ASSET MANAGEMENT
FLEET MAINTENANCE DIVISION
AUDIT 20-15**

/s/ Anthony Tiwari

Auditor

/s/ Christine Glover

Audit Director

**LOGISTICS & ASSET MANAGEMENT
FLEET MAINTENANCE DIVISION
AUDIT 20-15**

BACKGROUND

The City of Tampa Fleet Management is part of the Logistics and Asset Management Department. The Fleet Management Division (Fleet) provides vehicle and equipment repair services, fueling, and fleet acquisition and disposal services for the City of Tampa's (City's) more than 3,000 vehicles and pieces of equipment. A central motor pool is also provided for City employees working in the downtown buildings. Fleet processes over 15,000 repair orders per year with an authorized budget of \$18.0 million, and a staff of 54 positions operating at two facilities.¹

STATEMENT OF OBJECTIVES

This audit was conducted in accordance with the Internal Audit Department's FY20 Audit Agenda. The objectives of the audit were to assess that:

1. The processes for tracking underutilized vehicles with a minimum mileage criterion of 4,000 miles per fiscal year are being followed.
2. Fleet's Preventive Maintenance (**PM**) program is effectively reaching their targeted goals.
3. Fleet has policy and procedure manuals documenting internal controls relating to their functions.
4. Continuous inspections for fuel sites are completed, as not to disrupt the fuel supply.

STATEMENT OF SCOPE

The audit period covered FYI 9 and FY20. Both qualitative and quantitative assessments were performed to determine whether the management and staff of Fleet were 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.

¹ Retrieved from: <https://www.tampa.gov/metrics/fleet-maintenance>

STATEMENT OF METHODOLOGY

We achieved our audit objectives by utilizing the following methods:

- I. Conducted interviews with management to gain an understanding of internal processes and controls.
2. Reviewed guidance related to best practices in managing similar sized organizations.
3. Performed a data reliability analysis to determine completeness and accuracy of system-generated information used by management.
4. Conducted a survey of Vehicle Coordinators (VC) and provided the results to management.

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 conclusions based on our audit objectives.

AUDIT CONCLUSIONS

Based upon the audit work performed, our conclusions are as follows:

- I. The processes for tracking underutilized vehicles with a minimum mileage criterion of 4,000 miles per fiscal year are not being followed.
2. Fleet's PM program is not effectively reaching their targeted goals.
3. Fleet has policy and procedure manuals documenting internal controls relating to their functions. However, the current management's strategy and signoff is not included. We also noted policies lacked overarching industry guidelines.
4. Continuous inspections for fuel sites are completed, as not to disrupt the fuel supply.

VEHICLE UTILIZATION

STATEMENT OF CONDITION: Fleet Policy requires the annual review of non-public safety vehicles that accrue less than 4,000 miles in the previous fiscal year. These vehicles are considered underutilized and Department Directors are required to certify that the underutilized vehicles are necessary for completion of their mission and provide the reason for the low mileage. In February of each year the Fleet Manager provides each Department Director with a listing of all passenger vehicles assigned to their department, and the recorded miles driven for each vehicle for the previous fiscal year. For FY19 and FY20 Fleet communicated to the respective departments only vehicles that accrued less than 2,000 miles in the calendar year, not in accordance with the 4,000-mile policy. Internal Audit analyzed the utilization of 2,692 active, public and non-public safety, vehicles in the fleet.

VEHICLE USAGE DETAIL REPORT ANALYSIS 01/01/2020 TO 12/31/2020	MILEAGE		
	0	1 to 4,000	All Under 4,000
# Police Vehicles	120	267	387
# Fire Vehicles	32	85	117
# Other Department Vehicles	30	393	423
# All Department Vehicles Combined	182	745	927
Percentage of total City Vehicles	6.80%	27.70%	34.40%

Note: Thirty-three 2021 models are excluded as they were put into service toward the end of 2020.
Source: FASTER, Fleet vehicle management software.

CRITERIA: It is the policy of the City to provide vehicles to each department to assist in accomplishing the department's mission, subject to certain conditions. It is the responsibility of each Department Director to determine the appropriate number of vehicles necessary to perform the Department's mission, and to ensure that City vehicles assigned to the Department are properly and fully utilized. The policy establishes a minimum mileage criterion of 4,000 miles per year for non-public safety sedans, pickup trucks Yi ton, % ton, I-ton trucks sport utility vehicles and passenger/cargo vans.

CAUSE: Fleet management made the decision to communicate data on vehicles that were less than 2,000 miles for the calendar year and not in accordance with the policy. The Departments, in turn, only examined possible alternatives to ownership for those vehicles that accrued less than 2,000 miles in the previous calendar year and not fiscal year. For each vehicle that accrued above 2,000 and less than 4,000 miles an explanation on the listing, indicating the reason for the low mileage, was not required.

EFFECT OF CONDITION: The City is potentially carrying an excessive inventory of vehicles that must be insured, maintained, and secured. The vehicle utilization policy goal, of reassigning vehicles to achieve optimal utilization, is not being met.

RECOMMENDATION 1: Fleet management should consider aligning their processes to the policy. Fleet Administration and Departments should be notified of any updates or changes to the policy and procedures for reviewing underutilized vehicles. Fleet management should consider the necessary steps to ensure the established policy requiring an annual review and certification for all underutilized vehicles is enforced.

MANAGEMENT RESPONSE: Management concurs and will implement the recommendations. Fleet will align its processes to comply with auditor's recommendations and the established policy. Management will take the necessary steps to ensure the established policy requiring an annual review and certification for all underutilized vehicles is enforced.

TARGET IMPLEMENTATION DATE: July 1, 2021

PREVENTIVE MAINTENANCE

STATEMENT OF CONDITION: Fleet tracks preventive maintenance activities, including due dates, in the FASTER information system. During the month preceding a vehicle's PM due date, Fleet sends a notification email to the VC of the respective department or division. In turn, the VC notifies employees to whom the vehicles are assigned to remind them of the upcoming PM schedule. Departments can either schedule appointments or drop off their vehicles at their convenience. Depending on workload, operators may wait while PM's are performed. For PM's overdue, 30 days or over 1,000 miles, the VC department managers/directors are copied on the notification email. Our review noted that in FYI 9, 12.6% of PM's were past due. In FY20 the number almost doubled to 21.2% past due.

Fiscal Year	Total # of PM's Due	PM's Completed	PM's Past Due	% PM's Past Due
FY19	4585	4009	576	12.6
FY20	4935	3888	1047	21.2

Source: FASTER Management Information System

CRITERIA: The primary objective of a fleet maintenance program is to establish PM practices that are consistent and compliant with schedules specified by equipment/vehicle manufacturers. This helps to ensure vehicle safety and aids in extending the useful life of vehicles. From discussion with management, the goal is to have 0% late PM's.

CAUSE: PM Due Reports are sent out to the VC's 30 days prior to the PM due date. Department VC's have 30 days to schedule a PM with Fleet through an online portal. Some operators do not bring in vehicles for PM when they are due. This may be because operators prioritize the use of vehicles over PM.

EFFECT OF CONDITION: PM's that are not performed within manufacturer guidelines, may result in deterioration of performance and safety of equipment/vehicles. The useful lifecycle of the equipment may also be shortened. There is a risk for incurring higher repair costs in the long run.

RECOMMENDATION 2: Management should consider the following recommendations:

1. Scheduling PM for vehicles that have gone past a pre-determined period.
2. Tracking and notifying the VC's and department managers/directors about missed appointments.
3. Modifying work hours or days so that PM's can be performed when vehicles are not in use by the departments.

MANAGEMENT RESPONSE: Management concurs and will implement the recommendations. Currently, PM's overdue by 30 days or over 1,000 miles are sent to the department VC's and the managers/directors are copied on the notification email. When escalating past due PM notifications, the initial notification will only go to the department VC and the department Manager and Fleet Manager. Non-compliance past 60 days will result in the notice being escalated to include all mentioned before plus department and Fleet Directors. At the 90-day point, the respective Administrator will be advised. At this point, Fleet will automatically schedule the vehicle for PM and discuss other required actions with Administrators if necessary.

In the last year, Fleet has modified its work hours, as a pilot program, to align with and perform maintenance during non-operational hours of the Solid Waste department. The program has proven successful and expansion of this program would require discussions with leadership and approval for additional resources.

Lastly, a monthly metric report will be generated and distributed outlining Departmental preventative maintenance compliance percentages and missed appointments.

TARGET IMPLEMENTATION DATE: July I, 2021

POLICY AND PROCEDURES

STATEMENT OF CONDITION: During a review of Fleet's current policy and procedures documents we noted that the current management's strategy and signoff is not included. We also noted policies lack overarching industry and Environmental Protection Agency (EPA) guidelines for the handling of hazardous materials.

CRITERIA: The City's Municipal Code Section 2-46, requires departments to create and maintain, among other things, current documentation of their functions, policies and procedures. Also, documented policies and procedures are effective for retention of operational knowledge, employee training, and reliable internal controls.

CAUSE: Institutional knowledge has been relied upon to provide guidance on the performance of day-to-day responsibilities. Daily operations take priority over the development of policies and standard operating procedures.

EFFECT OF CONDITION: Without current policies and procedures, there is likely to be inconsistency in the way processes and procedures are carried out. Training of employees is likely to be affected, resulting in their productivity and efficiency being negatively impacted. There is also an elevated dependence on institutional knowledge, which increases the risk in the event of staff separation. Fleet handles hazardous vehicle waste and needs to adhere to EPA requirements, noncompliance with these regulations could lead to fines and penalties. Ultimately, the effectiveness of the internal control system could be compromised.

RECOMMENDATION 3: Management should consider implementing a periodic review of their policies and procedure documents to update with current industry guidelines. The following should be included in the review:

1. Current management strategy and signoff.
2. Dates of when the policies are enacted and updated.
3. EPA guidelines for the handling of hazardous materials.
4. Overarching industry guidelines applicable to Fleet Operations.

MANAGEMENT RESPONSE: Management agrees that the conditions identified by the auditor are legitimate. Fleet will revise all policies to comply with auditors' recommendations. Fleet currently has two separate policies for policies and procedures that will be consolidated into a single policy. A hazardous waste/materials policy will be established that will include EPA guidelines and procedures.

TARGET IMPLEMENTATION DATE: August 31, 2021.