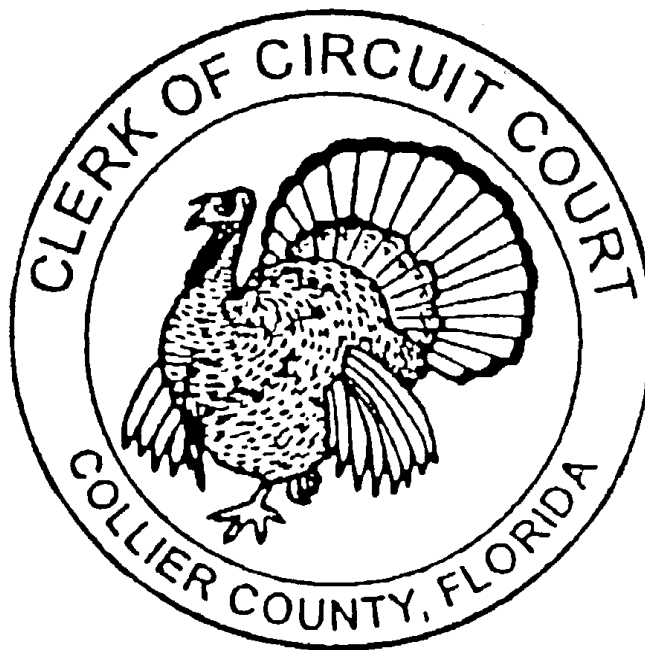**Collier County Clerk of the Circuit Court**
Internal Audit Department

Audit Report 2002 - 2

Audit of Collier County Fleet Management

County of Collier
CLERK OF THE CIRCUIT COURT

Dwight E. Brock
Clerk of Courts

COLLIER COUNTY COURTHOUSE
3301 TAMIAMI TRAIL EAST
P.O. BOX 413044
NAPLES, FLORIDA 34101-3044

Clerk of Courts
Accountant
Auditor
Custodian of County Funds

August 5, 2002

Honorable James Coletta, Chairman
And Members of the Board of County Commissioners
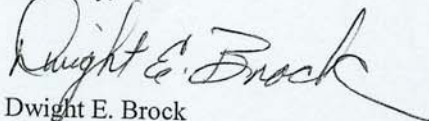3301 Tamiami Trail East
Naples, Florida 34112

Re: Audit of Collier County Fleet Management

(Report No. 2002-2)

Chairman:

The enclosed report discusses the findings and recommendations of the above captioned audit performed by the Internal Audit Department. We thank the Fleet Management Department for their cooperation in the performance of this audit.

If you have any questions about this report, please feel free to contact the auditor, Ilonka Washburn, at 774-8412.

Sincerely,

Dwight E. Brock
Clerk of the Circuit Court

Enclosure

cc: James V. Mudd, County Manager

Audit of Collier County Fleet Management

Table of Contents

Audit of Fleet Management

Background Information

Audit Purpose, Objectives, & Scope

The purpose of this audit was to determine if the Fleet Management Department's programs were operated in an efficient and effective manner and sufficient controls existed to ensure department goals were accomplished. The specific objectives included determining the effectiveness of vehicle maintenance, parts procurement, departmental billing, fuel procurement, and vehicle inventory programs as well as determining how efficiently the department's tasks were accomplished. The scope of this audit was limited, primarily, to transactions during the 2000 and 2001 fiscal years.

Audit Methodology & Procedures

This audit was performed in accordance with generally accepted government auditing standards. The Internal Audit Department interviewed the appropriate Finance Department staff responsible for the handling and processing of Fleet billings and key Fleet Management personnel. Additionally, the auditors reviewed all ordinances, statutes, policies, and procedures relevant to the Fleet Management programs. Judgmental sampling was used to test accuracy and compliance of Fleet Management Fund transactions as was deemed appropriate.

Background

In 1991, Collier County implemented the current centralized fleet management system based on recommendations from a review team appointed by the County Administrator. Under the current system, Fleet Management provides motor pool management services to all County vehicles and secondary equipment. These services include maintenance and repair, technical support services, fuel operations, vehicle and equipment procurement and disposal. Fleet Management also maintains a centralized capital cost recovery and replacement program for all assigned motor pool vehicles (The capital recovery program was excluded from this audit as a new methodology was in the process of being implemented during the 2001 fiscal year.) Fleet Management provides these services to approximately 530 vehicles and heavy equipment items, as well as to over 1000 pieces of secondary support equipment including light tractors, backhoes, trailers, boats and landscaping equipment.

Fleet Management has a FY 2001 operating budget of $2,678,300 and a capital recovery budget of $4,962,300, including $1,751,503 being held in reserves for construction of new maintenance facilities. Fleet employs 19 employees among them 12 mechanics and 3

administrative employees at its principal facility on County Barn Road and has one mechanic assigned to its facility in Immokalee.

Fleet Management has three categories of vehicles under its responsibility that are summarized as follows:

Motor Pool Vehicles are owned, managed and maintained by Fleet Management and assigned to specific departments or individuals. The user department is charged monthly per mile driven. The rate charged covers the cost of fuel, repairs and maintenance.

Motor Pool Loaner Vehicles are assigned by Fleet Management as temporary replacements for vehicles in maintenance or for official out-of-county travel.

Department-Owned Vehicles and Equipment are purchased and owned by the individual department, with Fleet Management maintaining the vehicle and billing the department for all incurred maintenance and repair costs.

County vehicles may be assigned to certain employees in key managerial and operational positions on a 24-hour basis and they may be used for work to home transportation. These assignments are made to employees who are required for immediate, emergency response after normal working hours. These assignments are designated as Class A or Class B assignments. Class A assignments are made for public health and safety reasons or where emergency response is required by an employee on a continuing basis. Class B assignments are given to employees on a rotational basis for the purpose of maintaining approved on-call operational response capability.

The last audit of Fleet Management was completed in 1996. The status of the recommendations from the previous audit are summarized in Appendix A.

Audit of Fleet Management

Findings & Recommendations

Billing Process

Problems tracking and collecting revenue.

It was noted that Fleet Management has encountered problems tracking and collecting billings to user departments during FY 2000 and FY 2001. Fleet Management began FY 2001 still being owed $153,633.88 from FY 2000. This results in ensuing cash flow problems causing difficulties paying incoming bills.   Further aggravating the situation is the lump sum payment to the Risk Management Fund of the annual insurance premium at the beginning of the fiscal year. On occasion, it was necessary to temporarily transfer money from Fund 522 to Fund 521 until outstanding revenue could be collected to cover the cash shortfall. Much of the tracking problems are attributed to the lack of sequentially numbered, system-generated invoices. Without the ability to easily identify the invoice in question, this makes it difficult to track the status or follow up on a given invoice.

Recommendations

- A method should be developed to easily generate monthly billings and to provide a mechanism to identify and track those billings.

- Fleet Management should regularly (weekly) check the status of outstanding invoices submitted to departments and perform the necessary follow up. Additionally, monthly reconciliations with Finance Department records should be performed.

- Consideration should be given to spreading insurance premium payments over the course of the year, either on a quarterly or monthly basis.

Fleet Management Response:

[NOTE: Please refer to Appendix B for the full text of Fleet Management's responses.]

"This was a known problem that Fleet Management requested the auditors review.   All recommendations made by the auditor have been implemented."

Parts room unsecured.

The parts storage area is open and unsecured, potentially allowing unauthorized personnel to enter the parts room unsupervised. During this audit non-fleet personnel were observed on several occasions entering the parts storage area through the unsecured back door. Additionally, floor-to-ceiling shelving obscures the view of the parts room from the shop floor. Furthermore, tires and batteries are kept in five locked sheds outside of the parts storage area. Even though the sheds are locked, an unauthorized person may gain access to the sheds by "borrowing" the keys that are left in the open in the unsecured parts room. Although an inventory of the parts room indicates there was minimal inventory shrinkage, the potential risk of loss remains.

Recommendations

- Keep back door of parts room locked to prevent unauthorized access.

- Keep storage shed keys secured.

Fleet Management Response:

"The Fleet Management parts room dimensions are 25 ft. X 28 ft. At least one of the two Fleet Management's parts personnel is present in the parts room at least 96% of the time during normal business hours. The only time a parts person might not be present is when the person is working by himself at a particular time and he must go to the restroom, walk into the front administrative offices, or go into the shop area to discuss a part with a mechanic. In any case, the absence would normally be less than five minutes. After normal business hours, the parts room is secured by a high security lock system…

The rear door cannot be locked because it is an emergency exit. A possibility may exist to reverse the doors so that the half-door opens outward, allowing a panic bar latch to be installed. This would keep unwanted persons from coming inside the Parts Room from the rear door. The problems with this solution will be cost as the frame for the security door will have to be removed and reinstalled or replaced, and the security door opening inward will take up much needed storage space in the parts room. Another problem is the small equipment mechanic working in the building next door will have to walk completely around to the other side of the parts room several times daily to acquire needed parts; this will reduce his efficiency to some extent.

The feasibility of reversing the doors and installing a panic bar latch will be reviewed. If the costs and benefits are justified when assessing this minimal security risk, this change will be implemented. If not justified in the opinion of the Fleet Management Director, a more passive measure will be implemented such as a buzzer or alarm, which activates when the door is opened.

Design for new County maintenance facilities is planned to begin next fiscal year. Parts room security will have high priority in the design.   Recommendations from the Internal Audit Office will be appreciated.

The key for the tire & battery sheds is kept on a chain attached to a 3" X 3" X 5" metal cylinder that is kept in the open within arms reach of the Parts Manager by the front entrance of the parts room. Mechanics come inside the parts room to get the key when they need tires or batteries. They return the

key immediately because the chain and cylinder is big, bulky, and very visible, unlikely to be left in a lock, and cannot be put in pockets. Fleet Management personnel use the key several times each day, so it would be quickly discovered if the key went missing. In at least the last six years, the key has never become missing. If the key was discovered missing, the locks would be changed immediately. Normally the matching locksets are changed quarterly. The tire & battery sheds are in full view of our maintenance shops. An unauthorized person trying to enter our tire & battery sheds would be observed immediately by our maintenance personnel.

The tire & battery shed key in the Parts Room is assessed to be an extremely minimal security risk; however, the storage area key has been moved to the front service desk area, which has admittance to only Fleet Management personnel."

Special order parts inconsistently billed.

Special order parts costs are not consistently added to work orders when they are received in the storage area and, therefore, are not included on the invoice to the user department. For example, if a part needed for a vehicle repair is not in stock, it is special ordered. Once it is received and inspected, it is placed into the ordering mechanic's bin. The mechanic is responsible to add the cost of the part to the work order of the vehicle being repaired. Occasionally though, the mechanic forgets to add the special order part to the work order and that expense does not get billed. Furthermore, no review of the invoices is done to ensure that special order parts costs equal special order parts billings.

Recommendation

- A procedure should be developed to ensure that special order incoming parts are added to work orders and are billed to the appropriate vehicle.

Fleet Management Response:

"…The most frequent problems we have had in the past with failure to properly charge out parts have been with major end items such as engines and transmissions that never reach the Parts Room. Of course, these omissions were readily detected and easily corrected; however, to prevent future occurrences, the Parts Manager now charges the appropriate work order with all items that cannot be brought into the Parts Room. The procedures currently in place appear to be adequate to ensure that special order parts are consistently billed.

Parts personnel enter the invoice price into the data automation system when the part is received. That price plus the established markup is billed automatically. No manual intervention is involved. The billing amount will always match the invoice price at which the part was received (plus markup)."

Computer System

Difficulties retrieving needed information from computer system.

Users found it difficult to retrieve needed information from the computerized fleet management system (FASTER) used by the Fleet Management Department. As mentioned above, the system is unable to number monthly bills sequentially which leads to difficulty in tracking the bills. When performing the parts inventory, the auditor had to sift through pages of meaningless information to determine the actual parts on hand, as the system was unable to produce an on-hand parts inventory. The system does not produce a vehicle history report and in order to assess a vehicle's repair history each previous work order must be printed individually to see the repairs performed. Additionally, once a new work order is created the information from the previously completed work order is automatically transferred into the new work order, which can lead to confusion as to what is the actual repair needed on the new work order. The above-mentioned deficiencies were initially attributed to the system itself, but upon further review it appears to be as much a user training issue as one of system shortcomings.

Recommendation

- Fleet management's computer system needs, including employee training, should be documented and an analysis done to determine if the current system and training is adequate to meet the department's business goals and objectives.

Fleet Management Response:

"The FASTER automated fleet management system is one of the most complete and one of the most widely used fleet management systems in the United States for public sector medium to large fleets…The system meets the operational requirements of Fleet Management. It is a very large system with many functions. During the period of the audit, most personnel were still learning all the functionalities within their own areas of responsibility. Some of the difficulties mentioned by the auditor may have had to do with operator training, such as with the case of the parts inventory. A parts inventory report can be easily run without having to sift through other information such as non-stock parts or zero-balance stock… The mention in the finding of data being transferred from the previous work order to a new work order had to do with the transfer of notes. The old notes had to be deleted by the person opening a new work order and the new notes entered. Although an extra step was involve, this should not have led to any confusion as to what was required on the new work order. In any case, the transfer of notes malfunction has been corrected… [T]he FASTER system can number the monthly bills. This numbering system was implemented in May 2001. Bottom line, the FASTER system is adequate for Fleet Management operational requirements. Capabilities will be further enhanced with the interface of FASTER and the County's new financial management system, SAP.

Personnel training on Fleet Management's computer systems is an ongoing process. Much progress has been made since the audit. A full week of on-site training by the FASTER software developer has been scheduled for August 2002.

Vehicle Maintenance

Scheduled times for preventive maintenance are frequently exceeded.

The Fleet department uses a scheduling system that specifies times needed for recurring maintenance, which allows both Fleet Management and the department owning the vehicle to plan their work schedules around the advertised repair time. However, based on a random sample of repair orders, it was found that 62% of work orders exceeded the stated repair time. The extended repair time ranged from an additional three hours to as long as 771 hours. In many cases the cause of the extended repair time was that the vehicle was simply waiting for parts or waiting for permission to order the necessary parts. This translates into a large amount of unplanned, non-productive time for the departments.

Recommendation

- Repair time schedules should be reevaluated to determine realistic maintenance repair times.

Fleet Management Response:

"The auditor is referring to the wording in the cover memorandum sent to the departments with the monthly Preventive Maintenance (PM) schedule: " Fleet Management will make every attempt to complete a scheduled PM by 5:00 p.m. that day on all automobiles and light trucks brought in for service by 9:30 a.m. Fleet Management will make every attempt complete an "A" PM within 24 hours, and a "B" or "C" PM within 48-72 hours on all medium duty trucks and off road equipment, if the equipment is brought in for service by 8:00 a.m. on its scheduled day." The "random sample" taken in the audit was mostly heavy construction equipment and heavy trucks. The auditor counted the entire time period regardless of the time of the day the vehicle arrived at Fleet Management; even if it arrived on Friday afternoon, the weekend was counted as time in the shop. Also, no consideration was given for vehicles that were in the shop for other repairs in conjunction with the PM service. The statement that 62% of work orders exceeded the stated repair time is not an accurate representation of total PM completion times. The actual PM completion rate, including repair times, for all vehicles and heavy equipment in FY 2001 was 55% in 24 hours or less, 72% in 48 hours or less, and 79% in 72 hours or less (see Attachment 2).

Vehicles and equipment brought in for PM's on time have first priority, except for emergency vehicles when no standbys are available. Vehicles and equipment brought in late for PM's are moved to last priority. Some vehicles are brought in for repair and the PM is performed prior to the scheduled date, however the PM work is usually performed after the repair so the total time in shop may exceed the 24-72 hours. In the case of the vehicle mentioned in the finding that took 771 hours beyond the stated PM time, this was a 1982 Military 2 ½-ton truck donated to the Immokalee Airport by the U.S. Department of Defense. The vehicle was towed into our shop with brake problems. The truck was found to have numerous operational and safety deficiencies requiring considerable labor and numerous hard-to-get

Repair notes incomplete.

Repair notes are instrumental in determining future vehicle needs and if incomplete they in fact become incomplete history not allowing past repair trends or repetitious problems to be obvious and predictable. A sample of repair notes found that 18% of those notes were incomplete, making it difficult to determine the initial assessment, the reason for repair or the actual repair done.

Recommendation

- Implement regular (annual) training sessions for mechanics, emphasizing importance of complete notes.

Fleet Management Response:

We totally agree with the auditor that mechanic notes are extremely important to our work order process and equipment history. Emphasis and training on improving maintenance notes began well before the audit started. Training is given several times a year. The quality of notes are continuously emphasized to the mechanics and reviewed by the Maintenance Supervisor daily, with feedback given to the mechanics.

Replacement odometers do not state accurate mileage.

When Fleet Management replaces defective odometers, it was noted that this was done without noting the existing mileage, either by adjusting the replacement odometer or by attaching a written notice to the doorframe of the vehicle. Fleet Management does record the actual mileage in the FASTER system, but a vehicle's odometer must read accurately or display the required notice, otherwise the vehicle cannot be lawfully driven under Chapter 319.35, Florida Statutes.

Recommendation

- Enter original mileage in replacement odometer or apply required notice to the doorframe of vehicle as required by Florida Statutes.

Fleet Management Response:

"The finding references odometer changes made in transit buses and ambulances that have gross vehicle weights exceeding 16,000 pounds. When an odometer was replaced in a larger truck 16,000 lbs. or more and the new odometer was received with zero miles, the old mileage was recorded in the FASTER data automation system and the vehicle mileage restarted at zero in the system, since we cannot tamper with the odometer. When an odometer was replaced in a small vehicle, it would be a factory standard item and ordered from the local dealership with the miles run up to the correct mileage. Chapter 319, Title Certificates, as quoted in the finding specifies titling requirements for motor vehicles. The Department of Highway Safety and Motor Vehicles, Division of Motor Vehicles administers the law. Section 319.225 exempts vehicles with a gross vehicle weight rating of more than 16,000 pounds from the odometer disclosure/declarations requirement upon transfer or reassignment of a certificate of title. The only requirement is to check the box when transferring the title that says, "Odometer Reading is Not Actual Mileage, Warning Odometer Discrepancy". The Division of Motor Vehicles reinforces this interpretation with Procedure TL-09, Odometer Disclosure and Declaration Requirements (excerpt at Attachment 3). This was verified by our local Motor Vehicle Registration Agency in the Tax Collector's Office. Although not a requirement by law, Fleet Management decided the doorframe tag/sticker was a good idea and that we would adopt the procedure. No standard mileage tags/stickers are provided by the State of Florida, automobile dealerships, or speedometer shops that we could find. No standard format is specified by the State of Florida. We found that nobody called used the doorframe tags/stickers. We made our own tag and taped it in the doorframes of vehicles that had odometers replaced."

Fuel purchases

Full fuel procurement analysis needed.

A brief analysis was done on fuel procurement that indicates that the County is getting competitive prices for fuel. However, all fuel purchases do not qualify for the best rates, particularly because of deliveries to smaller tank capacity sites. Additionally, a full analysis should be done and should include all costs associated with fuel procurement and storage, including costs for land, material, labor, insurance, etc. in addition to the per gallon fuel price. This could then be compared to the cost of using private fuel stations.

Recommendation

- This issue should be analyzed to determine if opportunities exist to reduce overall fuel costs and increase efficiency in fuel procurement.

Fleet Management Response:

"Under the County's current fuel contract, we pay the weekly average wholesale price per gallon at the Port of Miami plus $0.0279 per gallon for transport deliveries or $0.0675 per gallon for tank wagon deliveries. These are extremely good prices and cannot be beat by the State fuel contract or by any local government contracts. Both the City of Naples and the School Board use the County's fuel contract. Transport deliveries comprise approximately 75% of total gallons delivered, and tank wagons comprise about 25% of total gallons; for example, six months of deliveries between December 2001 and May 2002 consisted of 314,601 gallons delivered by transport and 93,812 gallons delivered by tank wagon. Transports are tractor/tank trailer rigs that deliver bulk quantities of 7,000 – 8,500 gallons. Transports come straight from the port to a single location (two at the most by our contract) and either gravity feed or pump the entire load or entire compartment into the tanks at that location. The fuel is delivered according to bill of lading total net gallons adjusted for temperature. The fuel delivery is not metered and the entire compartment tank load is put into the receiving tanks. The delivery tanks are measured before and after delivery by stick, tape, or automatic measuring system. Tank wagon deliveries are less than 7,000 gallons usually from a local fuel company contracted by the fuel wholesaler that loads the fuel from their local storage tanks and then meter the fuel into the tanks at the delivery locations. Tank wagons are straight trucks with no more than 5,000-gallon tanks. Collier County has two vehicle refueling locations where transports can normally deliver fuel, County Barn in Naples and County Barn in Immokalee. Naples has a 10,000-gallon gasoline tank and a 6,000-gallon diesel tank. Immokalee has a 10,000-gallon tank for each gasoline and diesel. The County has two other vehicle refueling sites at Marco Island and Carnestown. Marco has a 6,000 gallon unleaded tank and a 1,000 gallon diesel tank. Carnestown has 2,000-gallon tanks for each gasoline and diesel. The County then has about 50 emergency generators with tanks ranging from 50 gallons to several thousand gallons. The water & wastewater plants (4 locations) could take a transport if emergency generators were run for several days. The remainder of the emergency generator tanks range from 50 to 2000 gallons with tank wagon deliveries required. At times during the Summer, a tank wagon will make as many as 10-15 stops at water wells, wastewater pump stations, or facilities; sometimes in remote locations with rough-road access (areas in which a transport could not get into). More handling and manpower is required for tank wagon deliveries. Even if Fleet Management had its own fuel truck and had access to wholesale prices at the port, the costs for vehicle operation and driver would be more than $0.0675 per gallon. When fuel tanks are replaced in Marco Island in 2007, larger tanks are planned which will accommodate transport deliveries. Installing large fuel tanks and access roads to get to all emergency generator sites would cost the County millions of dollars and is not considered feasible.

After reviewing this finding, determination has been made that Fleet Management is following good business practices with fuel purchases and no further action is required."

Auditor's Comment:

If, as Fleet Management asserts in their response, good business practices with regard to fuel procurement are being followed, that will be borne out in the analysis we are recommending.

Vehicle inventory

Fleet Management can accurately account for County vehicles.

Fleet Management is responsible for the County's 1,942 vehicles by ensuring the safekeeping and maintenance of these public assets. Despite the fact that Fleet

Management is not the owner of most vehicles used within Collier County they are able to pinpoint the location of said vehicles. A sample of 94 vehicles across all categories was inventoried and was completely accounted for.

Recommendation

- Fleet Management should be congratulated on ability to accurately track the large fleet of County vehicles.

Fleet Management Response:

"No action required."

Rental vehicles

Fleet Management's use of the State of Florida contract is cost effective for short-term rentals.

There are a limited number of loaner vehicles available for departmental use from Fleet Management, as it is not cost effective to keep a large number of vehicles on standby. In order to provide vehicles on a short-term basis Fleet Management uses the State of Florida contract with Avis. A comparison of vehicle rental rates among the five largest rental companies was done and it was determined that the Avis contract provided through the State of Florida was the most cost efficient alternative available for short-term rentals.

Recommendation

- Continue use of state contract for short-term rentals but analyze the market annually for possible pricing changes.

Fleet Management Response:

"The Fleet Management Department will continue to use the most cost effective short-term vehicle rental source."

Audit of Fleet Management

Conclusions

Based upon this audit, we have concluded that the Fleet Management Department has, with implementation of the above recommendations, sufficient controls in place to achieve their departmental goals. As always, we recommend management evaluate procedures and controls on an on-going basis to assure that they continue to serve the department's goals and are relevant in an ever-changing environment. We thank the management and staff of the Fleet Management Department for their cooperation in this audit.

Audit of Fleet Management

Appendix A – Status of Previous Audit Findings

	Recommendation implemented	Recommendation not implemented
I a. Parts Sub Department physically segregated		**X** [1]
b. Parts mechanic should report to Director	**X**	
II. Mission statement, department goals / objectives and procedures manual should be created.	**X**	
III. Computerized fleet management system (FASTER) should be modified, in addition "once-a-year" calculations documented and retained and descriptive information added to non-motor parts billing.		**X**[2]
IV. Detailed accounting records should be obtained, reviewed & reconciled on a monthly basis by someone other than the individual who submits the recharge documents.	**X**	
V. Billing source documents should be reviewed by either the director or the Senior Fleet Analyst and the two forms should be modified to include space for supervisor to initial, area for new vehicles added to be listed, area for vehicles taken out of service to be listed and space for brief explanations of fluctuations.		**X**[3]

VI. Resolve questionable/inconsistent budget & accounting treatments:
    a. Consistent billing of rental charges.
    b. Include salvage value when computing capital recovery.
    c. Estimate proceeds from sale of vehicles more accurately.
    d. Account for ambulance replacement consistent with the capital recovery policy adopted by the county.
    e. Establish separate appropriation unit for recharges with a county wide balance of zero
	X
	X
	
	X
		
		X[4]
		
		X[5]

VII. Responsibilities of Vehicle Operators
    a. Each operator and his department head should annually sign an agreement accepting the responsibilities detailed in the driver's handbook.
    b. "How's my driving" stickers with county seal's and telephone numbers should be placed on each vehicle.
	X	**X**[6]

VIII. Ensure insurance cards are issued on a timely basis	**X**	

- Footnotes:

  1. Please see finding #2 in the current audit findings.
  2. Please see finding #4 in the current audit findings.
  3. Please see findings #1 and #3 in the current audit findings.
  4. Fleet Management states that because vehicles are sold at auction, it is difficult to consistently forecast accurate proceeds from the sales of the vehicles.
  5. Beginning in FY 2002 an automatic fund transfer system will be implemented and should accomplish what was recommended.
  6. Fleet Management contends that this would not be cost effective.

Appendix B – Fleet Management Response

Memorandum

To:　　　　Bob Byrne, Director
　　　　　　　Clerk of Courts, Internal Audit

From:　　　Dan Croft, Director
　　　　　　　Fleet Management Department

Date:　　　June 17, 2002

Subject:　　Response to FY2001 Fleet Management Internal Audit

The attached Action Sheet provides comments and actions taken concerning findings from the Fleet Management internal audit conducted April – September 2001. I appreciate the efforts and time spent by your Senior Internal Auditor, Ms. Ilonka Washburn, in reviewing Fleet Management operations. Her recommendations have been very helpful.

Please call me if you have any questions, 793-5655.

FLEET MANAGEMENT DEPARTMENT
INTERNAL AUDIT
APRIL – SEPTEMBER 2001

ACTION SHEET

FINDING 1: Problems tracking and collecting revenue.

It was noted that Fleet Management has encountered problems tracking and collecting billings to user departments during FY 2000 and FY 2001. Fleet Management began FY 2001 still being owed $153,638.88 from FY 2000. This results in ensuing cash flow problems causing difficulties paying incoming bills. Further aggravating the situation is the lump sum payment to the Risk Management Fund of the annual insurance premium at the beginning of the fiscal year. On occasion, it was necessary to temporarily transfer money from Fund 522 to Fund 521 until outstanding revenue could be collected to cover the cash shortfall. Much of the tracking problems are attributed to the lack of sequentially numbered, system generated invoices. Without the ability to easily identify the invoice in question, this makes it difficult to track the status of follow up on a given invoice.

RECOMMENDATIONS:

- **A method should be developed to easily generate monthly billings and provide a mechanism to identify and track those billings.**
- **Fleet Management should regularly (weekly) check the status of outstanding invoices submitted to departments and perform the necessary follow up. Additionally, monthly reconciliations with finance records should be performed.**
- **Consideration should be given to spreading insurance premium payments over the course of the year, either on a quarterly or monthly basis**

COMMENTS & ACTION TAKEN:

This was a known problem that Fleet Management requested the auditors review. All recommendations made by the auditor have been implemented.
   a. Monthly billings are easily generated in paper copy with our FASTER automated fleet management system. In October 2002, Fleet billings will be generated electronically by the County's new financial management system, SAP. FASTER and SAP will be fully interfaced with seamless integration and immediate automated customer billing when services are completed. This will be a great improvement over the current system. Approval for payment will also be sent by the customer electronically to Finance. An adequate method of tracking payments was in place at the time of the audit, but unfortunately not being followed. Personnel turnover was a great contributor to this problem, but lack of internal management follow-through was also a factor. Hopefully, both of these shortcomings have been resolved. We added the FASTER-generated sequential numbering system recommended by the Auditor, and currently use a spreadsheet and aging report system that is reviewed and updated bi-weekly. This frequency seems to be working very well; seldom does any billing go unpaid for more than 30 days.
   b. The status of outstanding invoices is checked bi-weekly and necessary follow-up is performed. Additionally, monthly reconciliations with Finance Department records are performed.
   c. Insurance premium payments are now paid in quarterly increments.
FINDING 2: Parts room unsecured.

The parts storage area is open and unsecured, potentially allowing unauthorized personnel to enter the parts room unsupervised. During this audit non-fleet personnel were observed on several occasions entering the parts storage area through the unsecured back door. Additionally, floor-to-ceiling shelving obscures the view of the parts room from the shop floor. Further more, tires and batteries are kept in five locked sheds outside of the parts storage area. Even though the sheds are locked, an unauthorized person may gain access to the sheds by "borrowing" the keys that are left in the open in the unsecured parts room. Although an inventory of the parts room indicates there was minimal inventory shrinkage, the potential risk of loss remains.

RECOMMENDATIONS:

- **Keep back door of parts room locked to prevent unauthorized access.**
- **Keep storage shed keys secured.**

<u>**COMMENTS & ACTION TAKEN**</u>:

a. The Fleet Management parts room dimensions are 25 ft. X 28 ft. At least one of the two Fleet Management's parts personnel is present in the parts room at least 96% of the time during normal business hours. The only time a parts person might not be present is when the person is working by himself at a particular time and he must go to the restroom, walk into the front administrative offices, or go into the shop area to discuss a part with a mechanic. In any case, the absence would normally be less than five minutes. After normal business hours, the parts room is secured by a high security lock system.

The rear entrance of the parts room consists of a heavy metal security door that is bolted shut during non-duty hours. This door opens outward. A second half-door rises to approximately waist level and serves as the customer issue and vendor receipt counter. The half-door opens inward. A doorbell button is installed outside the door to signal the parts personnel when a customer or vendor is present.

Items stored close to the rear door are low cost items such as nuts & bolts, canned oil, lubricants, and tape. In the last six years, no problems have been noted concerning theft or pilferage of these or other items in the parts room. With this record under exactly the same conditions as present, the security threat appears extremely minimal.

The rear door cannot be locked because it is an emergency exit. A possibility may exist to reverse the doors so that the half-door opens outward, allowing a panic bar latch to be installed. This would keep unwanted persons from coming inside the Parts Room from the rear door. The problems with this solution will be cost as the frame for the security door will have to be removed and reinstalled or replaced, and the security door opening inward will take up much needed storage space in the parts room. Another problem is the small equipment mechanic working in the building next door will have to walk completely around to the other side of the parts room several times daily to acquire needed parts; this will reduce his efficiency to some extent.

The feasibility of reversing the doors and installing a panic bar latch will be reviewed. If the costs and benefits are justified when assessing this minimal security risk, this change will be implemented. If not justified in the opinion of the Fleet Management Director, a more passive measure will be implemented such as a buzzer or alarm, which activates when the door is opened.

Design for new County maintenance facilities is planned to begin next fiscal year. Parts room security will have high priority in the design. Recommendations from the Internal Audit Office will be appreciated.

b. The key for the tire & battery sheds is kept on a chain attached to a 3" X 3" X 5" metal cylinder that is kept in the open within arms reach of the Parts Manager by the front entrance of the parts room. Mechanics come inside the parts room to get the key when they need tires or batteries. They return

the key immediately because the chain and cylinder is big, bulky, and very visible, unlikely to be left in a lock, and cannot be put in pockets. Fleet Management personnel use the key several times each day, so it would be quickly discovered if the key went missing. In at least the last six years, the key has never become missing. If the key was discovered missing, the locks would be changed immediately. Normally the matching locksets are changed quarterly. The tire & battery sheds are in full view of our maintenance shops. An unauthorized person trying to enter our tire & battery sheds would be observed immediately by our maintenance personnel.

The tire & battery shed key in the Parts Room is assessed to be an extremely minimal security risk; however, the storage area key has been moved to the front service desk area, which has admittance to only Fleet Management personnel.

FINDING 3: Special order parts inconsistently billed.
Special order parts are not consistently added to work orders when they are received in the storage area, therefore, are not included on the invoice to the user department. For example, if a part needed for a vehicle repair is not in stock, it is special ordered. Once it is received and inspected, it is placed into the ordering mechanic's bin. The mechanic is responsible to add the cost of the part to the work order of the vehicle being repaired. Occasionally though, the mechanic forgets to add the special order part to the work order and expense does not get billed. Furthermore, no review of the invoices is done to ensure that special order parts costs equal special order parts billings.

RECOMMENDATION:

- **A procedure should be developed to ensure that special order incoming parts are added to work orders and are billed to the appropriate vehicle.**

COMMENTS & ACTION TAKEN:

To address this finding, the reader must have a full understanding of parts processing within Fleet Management. Special order parts as used in auditor's perspective can be defined as any parts not carried in stock. In-stock parts are frequently used items for scheduled services, common repair items, and selected parts for emergency vehicles. Both in-stock and special order parts are ordered and received into our fleet automation system by either the Parts Manager or the Parts Specialist, and then charged out to work orders by mechanics as they use the parts. The exception to this procedure is when parts and supplies are issued directly to a customer, in which case our parts personnel charge out the materials as an independent issue directly to the department cost center. Only personnel authorized by the different departments can pickup independent issue parts and supplies. Self-issuance of parts to work orders by our mechanics has proven to be most efficient and effective considering our organizational structure. At least 95% of the time, special order parts are for active work orders with the vehicle or equipment waiting parts in our shop. In these cases, the mechanic is called to pick up his parts, and the mechanic charges out the parts to the work order at that time. For the other 5%, parts are ordered for vehicles or equipment to be installed at a later date; these are almost always non-critical type items that do not create safety hazards or major operational problems. When these parts are received, they are entered into the automation system, labeled by stock number and by equipment asset number, and put onto a shelf for deferred maintenance. **(Mechanic bins are no longer used for the purposes of storing parts for deferred maintenance.)** The customer department is called requesting the equipment be brought into the shop. When the equipment arrives at the shop, a new work order is opened and the part is charged out the same as with any other part. Special order parts are ordered and received in by equipment number. If a mechanic fails to charge out a special order part, it will either be detected by the Maintenance Supervisor review when the work order is closed or it will be detected during inventory. A cyclical inventory is conducted monthly and a 100% inventory is completed annually. The Parts Manager also reviews the work orders of jobs with large quantities of parts to ensure that all parts were properly issued.   The most frequent problems we have had in the past with failure to properly charge out parts have been with major end items such as

engines and transmissions that never reach the Parts Room. Of course, these omissions were readily detected and easily corrected; however, to prevent future occurrences, the Parts Manager now charges the appropriate work order with all items that cannot be brought into the Parts Room. The procedures currently in place appear to be adequate to ensure that special order parts are consistently billed.

Parts personnel enter the invoice price into the data automation system when the part is received. That price plus the established markup is billed automatically. No manual intervention is involved. The billing amount will always match the invoice price at which the part was received (plus markup).

FINDING 4: Difficulties retrieving needed information from computer system.

Users find it difficult to retrieve needed information from the computerized fleet management system (FASTER) used by the Fleet Management Department. As mentioned above, the system is unable to number monthly bills sequentially which leads to difficulty in tracking bills. When performing the parts inventory, the auditor had to sift through pages of meaningless information to determine the actual parts on hand, as the system was unable to produce an on-hand inventory. The system does not produce a vehicle history report and in order to assess a vehicle's repair history each previous work order must be printed individually to see the repairs performed. Additionally, once a new work order is created the information from the previously completed work order is automatically transferred to the new work order, which can lead to confusion as to what is the actual repair needed on the new work order. The above-mentioned deficiencies were initially attributed to the system itself, but upon further review it appears to be as much a user training issue as one of system shortcomings.

RECOMMENDATION:

- **Fleet Management's computer system needs, including employee training, should be documented and an analysis done to determine if the current system and training is adequate to meet the department's business goals and objectives.**

COMMENTS & ACTION TAKEN:

The FASTER automated fleet management system is one of the most complete and one of the most widely used fleet management systems in the United States for public sector medium to large fleets. Although FASTER has been around for several years and used by Collier County since 1990, it was completely remodeled beginning in 1997 and changed from the British Operating System (BOS) to a Windows-Based Operating System. This new version was first fielded in 1999 with partial functionality. Collier County first loaded the new system in June 1999 and went operational on October 1, 1999. The old BOS system was run dually with the new system for more than a year, mainly due to the new system having numerous functions that were not operating properly. With those problems fixed and new functional modules added, the complete version of FASTER was installed in Collier County in October 2001. The system meets the operational requirements of Fleet Management. It is a very large system with many functions. During the period of the audit, most personnel were still learning all the functionalities within their own areas of responsibility. Some of the difficulties mentioned by the auditor may have had to do with operator training, such as with the case of the parts inventory. A parts inventory report can be easily run without having to sift through other information such as non-stock parts or zero-balance stock (see Attachment 1). Some functions were not designed exactly to our desires, such as the vehicle history display from the work order screen. We (and apparently the auditor) would like to see the notes displayed with the work order history pull-down screen. This is not possible now because the notes are not resident on the work order database. Making the notes available with the work order history is a future enhancement that is being developed. However, we can currently get the information we need by searching by repair type or by running a report. The mention in the finding of data being transferred from the previous work order to a new work order had to do with the transfer of notes. The old notes had to be deleted by the person opening a new work order and the new notes entered. Although an extra step was involve, this should not have led to any

confusion as to what was required on the new work order. In any case, the transfer of notes malfunction has been corrected. The billing concern is addressed in Finding #1; actually, the FASTER system can number the monthly bills. This numbering system was implemented in May 2001. Bottom line, the FASTER system is adequate for Fleet Management operational requirements. Capabilities will be further enhanced with the interface of FASTER and the County's new financial management system, SAP.

Personnel training on Fleet Management's computer systems is an ongoing process. Much progress has been made since the audit. A full week of on-site training by the FASTER software developer has been scheduled for August 2002.

We look to the interface of FASTER and SAP to be a fully integrated solution to our Fleet Management data automation requirements. We will maintain all the functions of Faster while gaining the fully automated financial and inventory management systems of SAP. We will continue to review SAP as a potential one-system solution as its fleet management capabilities are refined.

FINDING 5: Scheduled times for preventive maintenance are frequently exceeded.

The Fleet department uses a scheduling system that specifies times needed for recurring maintenance, which allows both Fleet Management and the department owning the vehicle to plan their work schedules around the advertised repair time. However, based on a random sample of repair orders, it was found that 62% of work orders exceeded the stated repair time. The extended repair time ranged from an additional three hours to as long as 771 hours. In many cases the cause of the extended repair time was that the vehicle was simply waiting for parts or waiting for permission to order the necessary parts. This translates into a large amount of unplanned, non-productive time for the departments.

RECOMMENDATION:

- **Repair time schedules should be reevaluated to determine realistic maintenance repair times.**

COMMENTS & ACTION TAKEN:

The auditor is referring to the wording in the cover memorandum sent to the departments with the monthly Preventive Maintenance (PM) schedule: " Fleet Management will make every attempt to complete a scheduled PM by 5:00 p.m. that day on all automobiles and light trucks brought in for service by 9:30 a.m. Fleet Management will make every attempt complete an "A" PM within 24 hours, and a "B" or "C" PM within 48-72 hours on all medium duty trucks and off road equipment, if the equipment is brought in for service by 8:00 a.m. on its scheduled day." The "random sample" taken in the audit was mostly heavy construction equipment and heavy trucks. The auditor counted the entire time period regardless of the time of the day the vehicle arrived at Fleet Management; even if it arrived on Friday afternoon, the weekend was counted as time in the shop. Also, no consideration was given for vehicles that were in the shop for other repairs in conjunction with the PM service. The statement that 62% of work orders exceeded the stated repair time is not an accurate representation of total PM completion times. The actual PM completion rate, including repair times, for all vehicles and heavy equipment in FY 2001 was 55% in 24 hours or less, 72% in 48 hours or less, and 79% in 72 hours or less (see Attachment 2).

Vehicles and equipment brought in for PM's on time have first priority, except for emergency vehicles when no standbys are available. Vehicles and equipment brought in late for PM's are moved to last priority. Some vehicles are brought in for repair and the PM is performed prior to the scheduled date, however the PM work is usually performed after the repair so the total time in shop may exceed the 24-72 hours. In the case of the vehicle mentioned in the finding that took 771 hours beyond the stated PM time, this was a 1982 Military 2 ½-ton truck donated to the Immokalee Airport by the U.S. Department of Defense. The vehicle was towed into our shop with brake problems. The truck was found to have

numerous operational and safety deficiencies requiring considerable labor and numerous hard-to-get parts that can only be acquired from military surplus companies out-of-state. A PM service was conducted in conjunction with the repairs. If a vehicle is brought in on time for PM and a discrepancy is found that requires repair, the total time in shop may exceed the 24-72 hours. One of the purposes of preventive maintenance services is to detect discrepancies and fix them before the vehicle or equipment breaks down in the field. If non-stock parts are needed to complete a repair, the total time in shop may exceed the 24-72 hours, especially for heavy trucks or heavy equipment.   The point of this dialogue is to inform the reader that there are many variables to vehicle and equipment maintenance and repair that sometime prevent you from following a rigid time schedule. The time periods stated to customers for PM completion are fairly accurate if none of those mentioned variables occur. Our customers understand this. If we have a problem meeting our time schedule, we notify our customers and, if possible, help them make other arrangements for vehicles or equipment. For heavy vehicles, we sometimes perform part of the PM at one time and part at another time to accommodate the customer's work schedule. In any case, we keep close contact with our customers.

For the purposes of this "finding", we will reword the PM memo to state the possible exceptions as stated above.

FINDING 6: Repair notes incomplete.

Repair notes are instrumental in determining future vehicle needs and if incomplete they in fact become incomplete history not allowing past repair trends or repetitious problems to be obvious and predictable. A sample of repair notes found that 18% of those notes are incomplete, making it difficult to determine the initial assessment, the reason for repair and the actual repair done.

RECOMMENDATION:

Implement regular (annual) training sessions for mechanics, emphasizing importance of complete notes.

COMMENTS & ACTION TAKEN:

We totally agree with the auditor that mechanic notes are extremely important to our work order process and equipment history. Emphasis and training on improving maintenance notes began well before the audit started. Training is given several times a year. The quality of notes are continuously emphasized to the mechanics and reviewed by the Maintenance Supervisor daily, with feedback given to the mechanics.

FINDING 7: Replacement odometers do not state accurate mileage.

When Fleet Management replaces defective odometers, it was noted that this was done without noting the existing mileage, either by adjusting the replacement odometer or by attaching a written notice to the doorframe of the vehicle. Fleet Management does record the actual mileage in the FASTER system, but a vehicle's odometer must read accurately or display the required notice, otherwise the vehicle cannot be lawfully driven under Chapter 319.35, Florida Statutes.

RECOMMENDATION:

Enter original mileage in the replacement odometer or apply required notice to the doorframe of vehicle as required by Florida Statutes.

COMMENTS & ACTION TAKEN:

The finding references odometer changes made in transit buses and ambulances that have gross vehicle weights exceeding 16,000 pounds. When an odometer was replaced in a larger truck 16,000 lbs. or more and the new odometer was received with zero miles, the old mileage was recorded in the FASTER data automation system and the vehicle mileage restarted at zero in the system, since we cannot tamper with the odometer. When an odometer was replaced in a small vehicle, it would be a factory standard item and ordered from the local dealership with the miles run up to the correct mileage. Chapter 319, Title Certificates, as quoted in the finding specifies titling requirements for motor vehicles. The Department of Highway Safety and Motor Vehicles, Division of Motor Vehicles administers the law. Section 319.225 exempts vehicles with a gross vehicle weight rating of more than 16,000 pounds from the odometer disclosure/declarations requirement upon transfer or reassignment of a certificate of title. The only requirement is to check the box when transferring the title that says, "Odometer Reading is Not Actual Mileage, Warning Odometer Discrepancy". The Division of Motor Vehicles reinforces this interpretation with Procedure TL-09, Odometer Disclosure and Declaration Requirements (excerpt at Attachment 3). This was verified by our local Motor Vehicle Registration Agency in the Tax Collector's Office. Although not a requirement by law, Fleet Management decided the doorframe tag/sticker was a good idea and that we would adopt the procedure. No standard mileage tags/stickers are provided by the State of Florida, automobile dealerships, or speedometer shops that we could find. No standard format is specified by the State of Florida. We found that nobody called used the doorframe tags/stickers. We made our own tag and taped it in the doorframes of vehicles that had odometers replaced.

FINDING 8: Over half of fuel purchases do not qualify for best pricing.

As a byproduct to purchasing fuel for their own stations, Fleet Management purchases fuel for other small stations, such as backup generators, that do not have a large storage tank capacity. They, therefore, are unable to take advantage of the large quantity discounts and are forced to pay more on a per gallon basis.

RECOMMENDATION:

- **This issue should be analyzed to determine if opportunities exist to reduce overall fuel costs and increase efficiency in fuel procurement.**

COMMENTS & ACTION TAKEN:

Under the County's current fuel contract, we pay the weekly average wholesale price per gallon at the Port of Miami plus $0.0279 per gallon for transport deliveries or $0.0675 per gallon for tank wagon deliveries. These are extremely good prices and cannot be beat by the State fuel contract or by any local government contracts. Both the City of Naples and the School Board use the County's fuel contract. Transport deliveries comprise approximately 75% of total gallons delivered, and tank wagons comprise about 25% of total gallons; for example, six months of deliveries between December 2001 and May 2002 consisted of 314,601 gallons delivered by transport and 93,812 gallons delivered by tank wagon. Transports are tractor/tank trailer rigs that deliver bulk quantities of 7,000 – 8,500 gallons. Transports come straight from the port to a single location (two at the most by our contract) and either gravity feed or pump the entire load or entire compartment into the tanks at that location. The fuel is delivered according to bill of lading total net gallons adjusted for temperature. The fuel delivery is not metered and the entire compartment tank load is put into the receiving tanks. The delivery tanks are measured before and after delivery by stick, tape, or automatic measuring system. Tank wagon deliveries are less than 7,000 gallons usually from a local fuel company contracted by the fuel wholesaler that loads the fuel from their local storage tanks and then meter the fuel into the tanks at the delivery locations. Tank wagons are straight trucks with no more than 5,000-gallon tanks. Collier County has two vehicle refueling locations where transports can normally deliver fuel, County Barn in Naples and County Barn in Immokalee. Naples has a 10,000-gallon gasoline tank and a 6,000-gallon diesel tank. Immokalee has a 10,000-gallon tank for each gasoline and diesel. The County has two other vehicle refueling sites at Marco Island and Carnestown. Marco has a 6,000 gallon unleaded tank

and a 1,000 gallon diesel tank. Carnestown has 2,000-gallon tanks for each gasoline and diesel. The County then has about 50 emergency generators with tanks ranging from 50 gallons to several thousand gallons. The water & wastewater plants (4 locations) could take a transport if emergency generators were run for several days. The remainder of the emergency generator tanks range from 50 to 2000 gallons with tank wagon deliveries required. At times during the Summer, a tank wagon will make as many as 10-15 stops at water wells, wastewater pump stations, or facilities; sometimes in remote locations with rough-road access (areas in which a transport could not get into). More handling and manpower is required for tank wagon deliveries. Even if Fleet Management had its own fuel truck and had access to wholesale prices at the port, the costs for vehicle operation and driver would be more than $0.0675 per gallon. When fuel tanks are replaced in Marco Island in 2007, larger tanks are planned which will accommodate transport deliveries. Installing large fuel tanks and access roads to get to all emergency generator sites would cost the County millions of dollars and is not considered feasible.

After reviewing this finding, determination has been made that Fleet Management is following good business practices with fuel purchases and no further action is required.

FINDING 9: Fleet Management can accurately account for County vehicles.

Fleet Management is responsible for the County's 1,942 vehicles by ensuring the safekeeping and maintenance of these public assets. Despite the fact that Fleet Management is not the owner of most vehicles and equipment used within Collier County they are able to pinpoint the location of said vehicles. A sample of 94 vehicles across all categories was inventoried and was completely accounted for.

RECOMMENDATION:

- **Fleet Management should be congratulated on ability to accurately track the large fleet of County vehicles.**

<u>**COMMENTS & ACTION TAKEN**</u>:

No action required.

FINDING 10: Fleet Management's use of the State of Florida contract is cost effective for short-term rentals.

There are a limited number of loaner vehicles available for departmental use from Fleet Management, as it is not cost effective to keep a large number of vehicles on standby. In order to provide vehicles on a short-term basis Fleet Management uses the State of Florida contract with Avis. A comparison of vehicle rental rates among the five largest rental companies was done and it was determined that the Avis contract was the most cost efficient alternative available for short-term rentals.

RECOMMENDATION:

- **Continue use of state contract for short-term rentals but analyze the market annually for possible pricing changes.**

<u>**COMMENTS & ACTION TAKEN**</u>:

The Fleet Management Department will continue to use the most cost effective short-term vehicle rental source.

SECTION 4, AUDIT OF FLEET MANAGEMENT, APPENDIX A – STATUS OF PREVIOUS AUDIT FINDINGS:

COMMENTS ARE MADE ON RECOMMENDATIONS LISTED AS NOT IMPLEMENTED.

FINDING I.a.: Parts Sub Department physically segregated.
The auditor recommended that access to the Parts Room be limited to the Parts Mechanic and the Fleet Manager. This recommendation was not operationally feasible. A management decision was made to allow access to the parts room by mechanics. Because of our small staff, self-issuance of parts by our mechanics has proven to be most efficient and effective.

FINDING III: Computerized Fleet Management System.
All recommendations were adopted and implemented using the old BOS version of the FASTER system. In October 1999, a completely new Windows-based version of FASTER was implemented.

FINDING V: Rental and capital recovery source documents are not reviewed by other Fleet Management personnel before submission to Finance.

This refers to departmental billings by Fleet Management. All recommendations were adopted. Either the Fleet Management Director or the Fleet Operations Supervisor reviews all billings before being released to the departments and Finance. The reports were modified in the old FASTER system. Completely different reports are in the new FASTER system. The new reports have been modified to provide the customer with a clear understanding of the billing.

FINDING VI.c.: Estimate proceeds from sale of vehicles more accurately.

Auction proceeds from vehicles have averaged approximately 30% of purchase price; however auction sales depend on the type and attitude of the crowd and bidders at each auction. Major fluctuations may occur from one year to another. Another factor is that the vehicles and equipment planned for auction during budgeting may not be accurate come auction time. Sometimes vehicles are pulled from auction to meet County operational requirements. This year, 21 vehicles were pulled from auction. Next year, we may have more vehicles than budgeted as the vehicles returned to service this year are released for auction next year. With these variations, accuracy in budgeting auction revenues will continue to be a challenge.

FINDING VI.d.: Establish separate appropriation unit for recharges with a county wide balance of zero.

The footnote on this finding states: "Beginning in FY 2002 an automatic fund transfer system will be implemented and should accomplish what was recommended." This was true only for Fund 522, Motor Pool Capital Recovery, for motor pool vehicle replacement. The finding addressed billing for department-owned vehicle and equipment costs for fuel, sublets, and parts. The problem being addressed was departments not having enough funds at the end of the fiscal year to pay their Fleet Management billings. Departments could spend funds budgeted for fleet maintenance on other operating requirements and then not have enough funds to pay for their maintenance requirements. This has not changed. Cost center managers are responsible for appropriately managing their annual fund appropriations.

FINDING VII.a.: "How's my driving?" stickers with county seal's and telephone numbers should be placed on each vehicle.

After contacting several counties and municipalities that at one time had this program in place, most said the success of the program was very marginal and was not considered cost effective. Instead of "Hows my driving?", Collier County has placed bumper stickers on our vehicles that state the County's web site.