

Management Advisory 2003 – 4

To: Dan Croft Director – Fleet Management
From: Patrick Blaney Director - Internal Audit, Clerk of the Circuit Court
By: John G. Cleary Internal Auditor
CC: Dwight E. Brock Clerk of the Circuit Court
Audit File
Date: June 12, 2003
Re: Fleet Management – Miles Per Gallon and Repair & Maintenance Costs

Fleet Management

OBJECTIVES AND SCOPE

The objective of this Management Advisory Report initially was to review the miles per gallon reports of a sample of similar vehicles maintained by Fleet Management to determine if there were unexplained variances in the miles per gallon reported by each. Internal Audit then expanded the scope to examine repair and maintenance costs associated with a sample of vehicles to ensure that reported costs were reasonable and verifiable.

BACKGROUND

Fleet Management provides centralized management of all fleet related functions including vehicle and equipment acquisition and disposal, maintenance and repair, fuel, motor pool and related services. Fleet Management provides these services to over 700 vehicles and heavy equipment items, as well as to over 1400 pieces of secondary support equipment including light tractors, backhoes, trailers, boats and landscaping equipment. Internal Audit interviewed the Fleet Management Department's Fleet Operations Supervisor and examined related documentation for accuracy.

FINDINGS

1. Miles Per Gallon Review

Internal Audit requested documentation from Fleet Management for a sample of fourteen Ford F-150 pickup trucks to compare the miles per gallon reported. Fleet Management provided Internal Audit with Equipment History Reports that provide detailed information on mileage and fuel purchases for each vehicle. In addition, this report provides information on accident costs, maintenance costs, repairs and total operating costs. The mileage variance among vehicles can be explained by the vehicles' usage, whether it is for local travel, longer distances throughout the County, or if it frequently carries a heavy load. Another factor affecting reported miles per gallon is when a user refuels the vehicle anywhere other than a Fleet Management fueling location. This information is affected by timing differences as fuel purchases made by County staff with their Fleet Management provided fuel credit cards are entered manually between 30 and 45 days after the fuel purchase transactions occur. In addition, should an individual experience problems with their fuel credit card while traveling, Fleet Management can reimburse that person up to \$50.00 from petty cash. This transaction is then entered into the operating system upon their return. Fleet Management does review mileage differences bi-weekly to ensure that reported results are reasonable and verifiable. The results of Internal Audit's miles per gallon review are attached on Exhibit A.

Conclusion

Records maintained by Fleet Management appear to properly account for miles per gallon obtained by County vehicles.

2. Repair and Maintenance Costs

Internal Audit then chose a smaller sample of these same trucks to examine repair and maintenance costs and related reports. Fleet Management provided Internal Audit with work order reports and related Fleet Management Billing Reports. Internal Audit found no unaccountable differences between maintenance and repair costs reported and those actually incurred. The differences found were either related to parts mark-up or timing differences between the issuance of parts or labor performed and the dates of final completion of work orders. Fleet Management reviews reports to ensure preventative maintenance is performed as required by manufacturer's guidelines. The results of Internal Audit's repair and maintenance costs review are attached on Exhibit B.

Conclusion

Fleet Management Billing Report system appears to properly account for repair and maintenance work performed.

EXHIBITS

A) - Fleet Management Billing Report - Mileage Per Gallon Analysis

B) - Fleet Management Billing Report - Maintenance and Repair Cost Analysis

**COLLIER COUNTY CLERK OF THE CIRCUIT COURT
INTERNAL AUDIT
FLEET MANAGEMENT BILLING REPORT
MILEAGE PER GALLON ANALYSIS - 10/1/02 TO 3/31/03**

| <u>EQUIPMENT</u> NUMBER | DESCRIPTION | MILES TRAVELED | FUEL QUANTITY | MILES PER GALLON | FUEL COST |
|----------------------------|----------------------|-------------------|------------------|---------------------|--------------------|
| 010024 | 2001 FORD F150 4X4 | 7,366 | 417.5 | 17.64311377 | \$550.02 |
| 010025 | 2001 FORD F150 4X4 | 9,590 | 764.2 | 12.54907092 | \$1,018.43 |
| 010085 | 2001 FORD F150EXTCAB | 5,732 | 477.6 | 12.00167504 | \$626.80 |
| 020025 | 2002 FORD F-150 ECAB | 4,492 | 388.3 | 11.56837497 | \$529.06 |
| 020077 | 2002 FORD F-150 ECAB | 11,920 | 745.3 | 15.99355964 | \$975.11 |
| 020082 | 2002 FORD F-150 ECAB | 6,371 | 489.3 | 13.02064173 | \$652.05 |
| 030619 | 2003 FORD F-150 | 3,891 | 321.9 | 12.08760485 | \$451.89 |
| 030640 | 2003 FORD F-150 | 600 | 70.0 | 8.571428571 | \$95.49 |
| 20000007 | 2001 FORD F-150 4X4 | 2,797 | 254.2 | 11.00314713 | \$338.67 |
| 970027 | 1997 FORD F-150 4X4 | 7,987 | 532.7 | 14.9934297 | \$686.84 |
| 010010 | 2001 FORD F-150 4X4 | 7,516 | 617.4 | 12.17363136 | \$826.00 |
| 010019 | 2001 FORD F-150 4X4 | 12,775 | 1,075.8 | 11.87488381 | \$1,415.16 |
| 20000010 | 2000 FORD F-150 ECAB | 6,848 | 718.9 | 9.525664209 | \$939.22 |
| 20000011 | 2000 FORD F-150 ECAB | 6,552 | 789.2 | 8.302078054 | \$1,044.96 |
| TOTALS / AVERAGES | | 94,437 | 7,662.3 | 12.32488939 | \$10,149.70 |

**COLLIER COUNTY CLERK OF THE CIRCUIT COURT
INTERNAL AUDIT
FLEET MANAGEMENT BILLING REPORT
MAINTENANCE AND REPAIR COST ANALYSIS - 10/1/02 TO 3/31/03**

NOTES:

- 1) REPORT FIGURES DO NOT INCLUDE MARKUP, INC. SUBLETS. 3) MARKUP FOR SUBLETS THIS FISCAL YEAR IS 12%
2) MARKUP FOR PARTS THIS FISCAL YEAR IS 23% 4) SHOP SUPPLIES NOT CONSIDERED PARTS INVENTORY - NO MARKUP

| EQUIPMENT NUMBER | MAINTENANCE | | REPAIR COSTS PER REPORT | TOTAL PER WORK ORDER | COSTS PER WORK ORDER REPORT | | | STATUS | REPAIR COMMENTS |
|------------------|------------------------|-----------|--------------------------|--------------------------|-----------------------------|--------------------------|-----------------------|-----------|---------------------------|
| | COSTS | COMMENTS | | | PARTS | LABOR | SUBLET | | |
| 010010 | | | | | | | | | |
| OCT/02 | 0.00 | | 17.38 | 17.38 | 1.00 | 16.38 | | CONFIRMED | PARTS ARE SHOP SUPPLIES |
| NOV/02 | 0.00 | | | | | | | | |
| DEC/02 | 0.00 | | | | | | | | |
| JAN/03 | 0.00 | | | | | | | | |
| FEB/03 | 0.00 | | 5.55 | 5.55 | 1.00 | 4.55 | | CONFIRMED | PARTS ARE SHOP SUPPLIES |
| MAR/03 | 0.00 | CONFIRMED | | | | | | | |
| 010019 | | | | | | | | | |
| OCT/02 | | | 8.00 | 8.96 | | | 8.96 | CONFIRMED | 12% MARKUP |
| NOV/02 | | | | | | | | | |
| DEC/02 | 22.00 | CONFIRMED | 12.64 | 12.64 | 3.00 | 9.64 | | CONFIRMED | PARTS ARE SHOP SUPPLIES |
| JAN/03 | | | 15.60 | 15.60 | 3.00 | 12.60 | | CONFIRMED | PARTS ARE SHOP SUPPLIES |
| FEB/03 | 69.28 | CONFIRMED | 303.08 | 425.25 | 282.85 | 142.40 | | CONFIRMED | 12% MARKUP |
| MAR/03 | | | | | | | | | |
| 20000010 | | | | | | | | | |
| OCT/02 | | | | | | | | | |
| NOV/02 | | | 59.81 | 24.81 | | 24.81 | | CONFIRMED | OK - 35.00(39.20) + 24.81 |
| DEC/02 | | | 776.85 | 39.20 | | | 39.20 | CONFIRMED | ALL REPORT AND WORK |
| JAN/03 | 77.41 | CONFIRMED | 153.46 | 1023.80 | 95.87 | 927.93 | | CONFIRMED | ORDER BALANCES |
| FEB/03 | | | 406.40 | 426.60 | 123.03 | 303.57 | | CONFIRMED | CONFIRMED - TIMING AND |
| MAR/03 | | | 287.13 | 336.12 | 261.99 | 74.13 | | CONFIRMED | MARKUP DIFFERENCES |
| 20000011 | | | | | | | | | |
| OCT/02 | | | 73.05 | 83.05 | 53.48 | 29.57 | | CONFIRMED | 12% MARKUP |
| NOV/02 | 106.17 | CONFIRMED | 31.18 | 143.48 | 37.75 | 105.73 | | CONFIRMED | 12% MARKUP |
| DEC/02 | | | | | | | | | |
| JAN/03 | | | 10.94 | 10.94 | 1.00 | 9.94 | | CONFIRMED | PARTS ARE SHOP SUPPLIES |
| FEB/03 | | | | | | | | | |
| MAR/03 | | | | | | | | | |
| TOTALS | <u>\$274.86</u> | | <u>\$2,161.07</u> | <u>\$2,573.38</u> | <u>\$863.97</u> | <u>\$1,661.25</u> | <u>\$48.16</u> | | |

EXHIBIT B