

***METROPOLITAN GOVERNMENT OF
NASHVILLE AND DAVIDSON
COUNTY***



***METROPOLITAN NASHVILLE
AUDIT COMMITTEE***

WORKBOOK

December 12, 2017

**“Fraud and Falsehood only dread examination. Truth invites it.”
~ Samuel Johnson**

**METROPOLITAN NASHVILLE
METROPOLITAN AUDIT COMMITTEE MEETING AGENDA
December 12, 2017 4:00 p.m.**

**Committee Room 2
205 Metropolitan Courthouse**

- I. Call Meeting to Order (Brackney Reed - Committee Chairman)
- II. Approval of Minutes for November 28, 2017, meeting. (Brackney Reed – Committee Chairman)
- III. Unfinished Business
 - Discussion on Audit of Office of Fleet Management audit report issued September 18, 2017 (Seth Hatfield – Senior Internal Auditor)
- IV. New Business
 - Discussion on the ongoing audit of Metropolitan Nashville FY 2017 Financial Statements audit with Crosslin (External Auditor)
- V. Other Administrative Matters (Mark Swann – Metropolitan Auditor)
 - 2018 Proposed Meeting Schedule
- VI. Consideration of Items for Future Meetings (Brackney Reed - Committee Chairman)
- VII. Adjournment of Public Meeting – Next Meeting Tuesday, February 13, 2018.



To request an accommodation, please contact Mark Swann at (615)862-6158.

**METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY
METROPOLITAN AUDIT COMMITTEE MEETING**

**DRAFT
November 28, 2017**

On Tuesday, November 28, 2017, at 4:00 p.m., the Metropolitan Nashville Audit Committee met in the Metropolitan Courthouse, 2nd Floor, Committee Room 2. The following people attended the meeting:

Committee Members

Talia Lomax-O'dneal, Director of Finance
Charles Frasier, Tennessee Society of CPAs
David Briley, Vice-Mayor
John Cooper, Council Member
Brackney Reed, Chamber of Commerce
Bob Mendes, Council Member

Committee Member Not Present

-None-

Others

Mark Swann, Metropolitan Auditor
Jon Cooper, Department of Law
Mike Safely, Department of Law
Theresa Costonis, Department of Law
Dell Crosslin, Crosslin
David Hunt, Crosslin
Lindsey Ellis, Crosslin
Scott Potter, Metro Water Services
Amanda Deaton - Moyer, Metro Water Services
Shannon Hall, Department of Human Resources
Stephen Cain, Department of Human Resources
Kim McDoniel, Deputy Finance Director
Phil Carr, Chief Accountant
William (Bill) Walker, Office of Internal Audit
Laura Henry, Office of Internal Audit
Seth Hatfield, Office of Internal Audit

Quorum present? Yes

CALL MEETING TO ORDER

Mr. Brackney Reed called the meeting to order.

APPROVAL OF MINUTES

A **motion** to approve the September 12, 2017, meeting minutes as presented in the Metropolitan Nashville Audit Committee Workbook for November 28, 2017, was made, seconded, and carried.

NEW BUSINESS

Discussion on Audit of the Office of Fleet Management audit report issued September 18, 2017 (Workbook pages 13 through 20)

Mr. Seth Hatfield summarized the objectives, observations, and recommendations of this audit.

Ms. Talia Lomax-O'dneal inquired if the audit scope included fleet services provided outside of the General Services Department. For example, when the Office of Fleet Management gets backlogged, they may ask departments to have oil changes conducted by outside entities. Mr. Hatfield advised the audit looked at turn-around time for third parties. Mr. Swann advised the longest turn-around time involved collision repair. Collision repair services are typically outsourced.

Action Item: Ms. Lomax-O'dneal requested that the percentage of total work time performed by outside parties be provided.

Ms. Lomax-O'dneal advised she had occasionally had departments' voice concerns over turnaround time and staffing levels at the Office of Fleet Management. Mr. Hatfield advised that audit surveys to user departments revealed the same concerns. Mr. Bob Mendes inquired if these concerns were real or a function of departments wanting their cars back more quickly. Mr. Hatfield advised an analysis was completed on turn-around time and can be viewed in the workbook. Mr. Hatfield advised that the Office of Fleet Management stated that waiting for parts had the greatest impact on turn-around time. Mr. Mendes asked if trend analysis was conducted to ascertain if turnaround time was getting better or worse. Mr. Hatfield advised such an analysis was not completed. Mr. Swann advised the software system previously utilized by the Office of Fleet Management was not conducive to providing such information. The new software system will be better able to perform such analysis.

Mr. Charles Frasier inquired about the observation pertaining to no actionable procedures in place to enforce rotational utilization. Mr. Hatfield advised that administrative orders are issued by the General Services Department. These orders instruct the various departments that it is the department's responsibility to monitor utilization. The General Services Department believes they have limited responsibility for monitoring utilization. The Office of Internal Audit position is the Metropolitan Nashville Code of Laws provides authority for the General Services Department to adopt rules and regulations related to fleet management. A discussion ensued over the difference between authority and responsibility.

Mr. Frasier inquired about the 2010 audit recommendation related to fuel management procedures not being implemented. Mr. Hatfield advised the General Services Department drafted an applicable procedure but had not formally approved it at the time of this audit engagement.

Mr. Mendes stated the tenor of General Services Department responses to the audit recommendations seemed to say they accept the recommendations without agreeing with them; particularly as it relates to monitoring of fleet utilization.

Action Item: Mr. Mendes requested for representatives of the General Services Department to be present at the next Committee meeting to discuss the audit recommendations.

Discussion on Audit of Metropolitan Nashville General Government Occupational Safety Program audit report issued October 10, 2017 (Workbook pages 21 through 30)

Ms. Laura Henry summarized the objectives, observations, and recommendations of this audit.

Mr. John Cooper inquired how moving the Occupational Safety Program to the Department of Human Resources was being received by the affected department. Ms. Shannon Hall advised she agreed with the recommendation. Ms. Hall stated that the current safety coordinator has

multiple responsibilities outside of the Occupational Safety Program. Ms. Hall advised additional resources need to be allocated to the Occupational Safety Program.

Mr. John Cooper asked if we were self-insured or would there be an insurance discount for a more vibrant Occupational Safety Program. It was stated that the Metropolitan Nashville Government is self-insured for workplace injuries.

Ms. Lomax-O'dneal inquired if we looked at injury-on-duty trends. Ms. Lomax-O'dneal stated overall claims for the Metropolitan Nashville Government had gone down over the past few years. Ms. Henry referred the Committee to a chart on page 24 of the workbook. The departments with the highest dollar amounts of injury-on-duty were analyzed. With the exception of the Metropolitan Nashville Fire Department, claims remained consistent. Mr. Stephen Cain advised that decreased costs were a function of changes in the way injury-on-duty claims were managed and were separate from the effectiveness of the Occupational Safety Program.

Mr. Mendes inquired if any major Metropolitan Nashville Government entities were excluded from the scope of the audit. Mr. Swann advised the audit engagement focused on the Metropolitan Nashville Government general government functions and did not include Metropolitan Nashville Public Schools and component units of the government. Mr. Mendes asked how this audit would affect departments such as Metro Water Services who have more resources tied to safety and a more robust Occupational Safety Program. Ms. Hall and Mr. Cain advised the larger departments do have more resources but still could use additional assistance. Some of the smaller departments need help from the ground up. Ms. Lomax-O'dneal stated that the 2006 audit recommended 14 to 15 additional staff dedicated to an Occupational Safety Program.

Mr. Mendes asked if the consensus was the Metropolitan Nashville Government could do a better job at safety. Ms. Lomax-O'dneal advised yes.

Mr. David Briley advised that many of these recommendations could not be implemented immediately and asked what should be done in the interim. Mr. Swann advised that the initial plan was to have legislation passed to reassign who was responsible for the Occupational Safety Program. From there, the responsible party would respond to when the recommendations would be implemented. Mr. Briley asked if the Department of Human Resources was willing to accept the additional recommendations without additional resources. Ms. Hall stated "no." Mr. Jon Cooper advised that draft legislation had been submitted to the Mayor's Office for consideration to reassign responsibility for the Occupational Safety Program to the Department of Human Resources. Mr. Briley advised the recommendations should not be accepted until the Occupational Safety Program is funded. Ms. Hall advised should budgetary resources be provided; she foresees having a staff of two or three employees and building it up from there, as needed. Mr. Briley stated that he would like to see a cost benefit analysis for enhancing the Occupational Safety Program in addition to the benefit of avoiding injuries. Mr. Scott Potter advised there is an opportunity for economies of scale in that some functions being carried out by various departments could be consolidated, such as safety training.

Discussion on Audit of Davidson County Sheriff's Office Information Security Practices issued October 31, 2017 (Workbook page 31)

Mr. Swann advised this was a criminal justice information system protected audit, and thus only a limited public report was issued. Mr. Swann advised there were six significant recommendations. Mr. Mendes reviewed the redacted 250-page report and met with the Davidson County Sheriff's Office to discuss the audit and was satisfied with the answers that were provided.

UNFINISHED BUSINESS

Acceptance of the Metropolitan Nashville Government Fiscal Year 2016 Letter of Recommendations to Management from Crosslin discussed in the April 11, 2017, Committee meeting.

A **motion** to accept the Metropolitan Nashville Government Fiscal Year 2016 Letter of Recommendations to Management, was made, seconded, and carried.

No discussion ensued.

Acceptance of the Metropolitan Nashville Government Fiscal Year 2016 Schedule of Expenditures of Federal and State Reward Reports required by the Single Audit Act as amended and the Uniform Guidance discussed in the in the April 11, 2017, Committee meeting.

A **motion** to accept the Metropolitan Nashville Government Fiscal Year 2016 Schedule of Expenditures of Federal and State Reward Reports required by the Single Audit Act as amended and the Uniform Guidance, was made, seconded, and carried.

No discussion ensued.

OTHER ADMINISTRATIVE MATTERS (Workbook pages 35 through 47.)

Mr. Swann updated the Committee on the number of reports that have been issued on page 35 of the workbook.

Mr. Swann briefly updated the Committee on a potential conflict of interest investigation completed concerning two Metro Water Services employees and Metro Water Services contractor American Backflow Inc.

Mr. Swann briefly updated the Committee budget, staffing, and audit utilization information. Mr. Mendes asked about the Office of Internal Audit 34 percent budget utilization on page 39 of the workbook. Mr. Swann advised the low utilization on the budget was a function of not utilizing consulting dollars. The Office of Internal Audit is in the process of obtaining another audit services co-sourcing vendor.

The public meeting adjourned after approximately 45 minutes.

EXECUTIVE SESSION – ON-GOING AUDIT OF THE METROPOLITAN NASHVILLE GOVERNMENT FINANCIAL REPORTS

Immediately after the public meeting was adjourned a **motion** to start an executive session of the Metropolitan Nashville Audit Committee for discussing the on-going audit of the Metropolitan

Nashville Government's fiscal year 2017 financial reports with the external auditors, Crosslin, was made, seconded, and carried.

The executive session meeting adjourned after approximately 30 minutes.

The meeting concluded after 75 minutes at 5:15 p.m.

Respectfully submitted to the Metropolitan Nashville Audit Committee.

Mark Swann
Secretary, Metropolitan Nashville Audit Committee

EXECUTIVE SUMMARY

September 18, 2017



Why We Did This Audit

The audit was initiated because a well maintained fleet is a vital component of public safety and many other Metropolitan Nashville Government services.

What We Recommend

- Enhance controls to ensure vehicles are being utilized and meeting preventative maintenance requirements.
- Strengthen controls around the monitoring of take-home vehicle (24 hour) assignments.
- Improve monitoring of employee productivity and reworks.
- Limit access to the parts room.

For more information on this or any of our reports, email Mark.Swann@nashville.gov

Audit of the Office of Fleet Management

BACKGROUND

The Office of Fleet Management was created in July 2002 to centralize fleet ownership and operations in order to effectively and efficiently maintain the fleet reflective of industry norms. Previously, fleet operations were fragmented among several departments, including General Services Department, Nashville Fire Department, Metro Water Services, Parks and Recreation Department, and Public Works Department.

The Office of Fleet Management's mission is achieved through three programs: Asset Management, Fuel Supply, and the Vehicle and Equipment Repair Program. The Office currently has 71 full-time employees.

Fleet vehicles are purchased using various funding sources, such as the four percent general reserve fund, enterprise funds, grants, or the capital improvements budget. The fleet consists of approximately 3,600 vehicles and equipment that are assigned to 33 departments and agencies.

OBJECTIVES AND SCOPE

The objectives of this audit are to determine if:

- Controls ensure that the operational objectives and mission of the Office of Fleet Management are being achieved.
- Controls ensure the proper management of fiscal resources.
- Recommendations from the October 2012 Audit of Metropolitan Nashville Government's Motor Fuel Usage Office of Fleet Management were implemented.

Transactional records reviewed cover fiscal years 2016 and 2017 (partial).

WHAT WE FOUND

The Office of Fleet Management is providing satisfactory maintenance services of vehicles and equipment to support Metropolitan Nashville Government departments. However, improvement is needed in areas such as preventative maintenance, employee productivity monitoring, vehicle utilization, and automotive parts inventory control and analysis.

GOVERNANCE

The Office of Fleet Management is a division of the General Services Department and is overseen by an Assistant Director who reports directly to the Director of General Services. This organization structure was established in 2002 by Mayor Purcell's Executive Order 14 establishing the centralized Office of Fleet Management to own and manage a consolidated fleet. Mayor Barry's Executive Order 14, dated February 24, 2016, reaffirmed the practice of consolidated fleets and fleet operations in one office and established an ad hoc Fleet Advisory Committee to review and recommend on matters such as vehicle assignments, utilization, and replacement.

The Metropolitan Nashville Code of Laws § 2.32.060 authorizes the Office of Fleet Management to adopt additional rules and regulations pertaining to use and operation of Metro vehicles and equipment. To this end, the General Services Department issued a series of administrative orders as policies and procedures pertaining to fleet acquisition, maintenance, assignments, and disposal. Each department with assigned vehicle or equipment has a fleet coordinator that acts as the intermediary between the Office of Fleet Management and their department. Their responsibilities are also detailed in these administrative orders.

FISCAL INFORMATION

The Office of Fleet Management is an internal service fund with \$22.6 million budget for the fiscal year 2017. The budget is allocated as internal service fees to user departments based on the actual fuel usage for the fuel supply program and the number of vehicles for the asset management and vehicle and equipment repair programs.

Exhibit 1 – Budget by Fiscal Year

Program	FY 2015	FY 2016	FY 2017
Asset Management	\$ 1,188,500	\$ 1,229,700	\$ 1,274,200
Fuel Supply	9,887,400	9,743,400	9,731,000
Vehicle and Equipment Repair	9,865,900	10,505,700	11,615,400
Total	\$20,941,800	\$21,478,800	\$22,620,600

Source: Metropolitan Nashville Government's EnterpriseOne Financial System

Exhibit 2 – Major Expenditures by Fiscal Year

Expenditure Category	FY2014	FY2015	FY2016
Automotive Fuel	\$ 9,266,070	\$7,299,644	\$5,003,196
Salary & Benefits	4,915,739	5,433,338	5,454,872
Automotive Repair Parts	2,223,757	2,632,870	2,612,340
Automotive Tires	1,087,176	880,551	795,424
Automotive Repair Service	638,548	683,540	1,087,298

Source: Metropolitan Nashville Government's EnterpriseOne Financial System

Exhibit 3 – Top Ten Vendors Excluding Fuel Supply Program from January 2015 to January 2017

Vendor Name	Payment Amount
CB Collision	\$667,169
Cumberland International Trucks	657,229
Mack of Nashville, LLC	312,342
Middle Tennessee Ford Truck Sales	211,811
Freeland Chevrolet, LLC	147,188
Clark Power Services, Inc.	146,654
Stringfellow, Inc.	115,169
Neely Coble Company	114,305
Crown Ford, Inc.	113,428
Fastenal	95,327

Source: Metropolitan Nashville Government's EnterpriseOne Financial System

PERFORMANCE

The 71 employees within the Office of Fleet Management completed 66,383 work orders in the two years between February 1, 2015, and January 31, 2017. This equates to an average of 133 work orders completed per business day.

Exhibit 4 –Completed Work Orders by Shop between February 1, 2015, and January 31, 2017

Shop	FTEs	Completed Work Orders
Light Vehicle Shop	31	37,126
Heavy Vehicle Shop	34	23,891
Ground Vehicle/Equipment Shop	6	5,365

Source: Metropolitan Nashville Government's EnterpriseOne Financial System

Analysis shows that 49 percent of these completed work orders are in the top 10 repair types (out of 541.) All these repairs were completed within a reasonable length of time. (See Exhibit 5 below.)

Exhibit 5 –Top Ten Repair and Wreck Repair Types between February 1, 2015, and January 31, 2017

Repair Types	Completed Work Orders	Average Completion Hours	Average Days Work Order Active
Tires, Tubes, Liners, & Valves	8,282	1	2
Power Plant (Engine Work)	4,114	5	11
Brakes	3,414	3	5
Lighting System	3,067	2	5
Preventative Maintenance – Police Vehicles ¹	2,684	2	-- ¹
Towing In-House	2,520	2	1
Preventative Maintenance – Light Vehicles ¹	2,458	2	-- ¹
Air Conditioning, Heating, and Ventilation	2,208	4	9
Annual Emissions Testing	2,201	1	-- ²
Road Side Assistance	1,876	3	1
Wreck Repairs (Sent to collision repair shop)	880	Not Applicable	63

Source: Metropolitan Nashville Government's EnterpriseOne Financial System

¹ Preventative maintenance work orders are created when vehicle mileage is met, not when vehicle is sent to shop.

² Annual emission testing work orders are created at the beginning of the year, not when vehicle is sent to testing.

APPENDIX A – MANAGEMENT RESPONSE AND CORRECTIVE ACTION PLAN

We believe that operational management is in a unique position to best understand their operations and may be able to identify more innovative and effective approaches, and we encourage them to do so when providing their response to our recommendations.

Recommendation	Concurrence and Corrective Action Plan	Proposed Completion Date
<i>Recommendation for management of the Office of Fleet Management to:</i>		
<p>A.1: Explore and establish an effective communication and scheduling method with fleet coordinators to ensure preventative maintenance scheduling meets user department’s business cycles.</p>	<p>Accept. Although we do not agree with the apparent premise (<i>i.e.</i>, that preventive maintenance shortfalls have resulted from ineffective communication and scheduling), General Services accepts the recommendation for continued efforts to improve Metro fleet preventive maintenance. OFM will continue regular, preventive maintenance communications, initiate enhanced Metro specific notices by the FASTER system (example notice attached), and continually consider the implementation of other means to impress the importance of preventive maintenance upon Metro agency customers.</p>	<p>Completed</p>
<p>A.2: Initiate cost-benefit analysis on how telematics technology could be used to increase efficiency with fleet management. For example, receiving real-time odometer readings to schedule preventative maintenance work orders and monitor utilization.</p>	<p>Accept. General Services accepts the recommendation for analysis (despite questioning whether the frequency of drivers not entering accurate mileage data in fuel logs is material as well as whether such inaccuracy has a substantive detrimental impact on preventive maintenance compliance since such errors actually result in the early generation of preventive maintenance notices).</p> <p>The recommended analysis is consistent with OFM's on-going commitment to stay abreast of technical innovations and how they might enhance OFM operations. Further, OFM management will evaluate the current need for a telematics technology study examining potential fleet management benefits, associated resource requirements, and possible resulting liability.</p>	<p>June 30, 2018</p>
<p>B.1: Incorporate evaluation of vehicle utilization data into the vehicle procurement process and enforce replacement criteria established by Administrative Order 05-09 while making purchasing decisions.</p>	<p>Accept. General Services considers utilization along with other factors as required by the referenced administrative order, which details multiple, pertinent guidelines (factors relevant to use include unit mileage, usage patterns/use hours, age, operational cost, and maintenance history).</p> <p>We understand from a conversation with auditors that this recommendation pertains specifically to the procurement of</p>	<p>June 30, 2018</p>

APPENDIX A – MANAGEMENT RESPONSE AND CORRECTIVE ACTION PLAN

Recommendation	Concurrence and Corrective Action Plan	Proposed Completion Date
	<p>new/additional fleet units. Accordingly, General Services accepts the recommendation to facilitate the consideration of mileage data for Metro agencies' existing units along with their new/additional unit requests, and General Services will include that data when forwarding the Metro agency requests to the Finance Department.</p>	
<p>B.2: Request and follow up semi-annual or annual utilization reports from user departments, with justification of noncompliance and departmental action plan for meeting requirement.</p>	<p>Accept. General Services accepts the recommendation to continue periodic utilization reviews (despite finding that these efforts produce minimal results), and per this Internal Audit recommendation, OFM will ask Metro agencies to regularly document and implement plans which explain and address utilization shortfalls as appropriate.</p>	<p>June 30, 2018</p>
<p>B.3: Develop an action plan for increasing fleet utilization and identifying an ideal fleet size. This could include: (a) enforcing accurate data input, (b) eliminating or reassigning underutilized vehicles, (c) exploring opportunities to rent specialized equipment or seasonal use of equipment, (d) not replacing vehicles for departments under an acceptable utilization percentage, (e) utilizing rides share companies like Uber or Lyft or taxi services for local travel, (f) rotating vehicles, using telematics to identify fleet utilization patterns, (g) placing underutilized vehicles and equipment into the General Services motor pool, or (h) increase employee personal vehicle use for Metropolitan Nashville Government service.</p>	<p>Accept. General Services accepts the recommendation to develop a specific policy for maximizing fleet utilization. It may include components such as:</p> <ul style="list-style-type: none"> ▪ periodic Metro agency fleet utilization review; ▪ Metro agency existing fleet utilization mileage data submitted to the Finance Department along with the agency's request for new/additional fleet units; ▪ Metro agency regular documentation and implementation of plans which explain and address utilization shortfalls as appropriate; ▪ publication of Metro agency fleet utilization plans so that Metro Internal Audit and the public may more readily evaluate Metro agencies' fleet utilization plans and practices; and ▪ continued and on-going analysis of potential benefits from leasing fleet units (especially seasonal or specialized use equipment). <p>Other suggested components:</p> <ul style="list-style-type: none"> ▪ impacting Metro agency new and existing fleet unit assignments; ▪ directing the use of commercial transportation; and ▪ increasing employee personal vehicle use for Metro business; <p>all involve and have a bearing on a wide range of policy considerations outside</p>	<p>June 30, 2018</p>

APPENDIX A – MANAGEMENT RESPONSE AND CORRECTIVE ACTION PLAN

Recommendation	Concurrence and Corrective Action Plan	Proposed Completion Date
	appropriate General Services purview. Unilateral direction by General Services would be ill-advised, of questionable benefit, and potentially detrimental to public welfare.	
C.1: Conduct a review of vehicle take-home assignments and request agencies to provide documented approval and justification for all take-home vehicle use.	Accept. General Services accepts the recommendation to review Metro agency Take Home (24-hour) Assignments of fleet units. The examination will include Metro agencies providing agency head approval documentation and justification for each assignment.	June 30, 2018
C.2: Reiterate the take-home assignment policy to department heads and fleet coordinators.	Accept. General Services accepts the recommendation to reiterate OFM Take Home (24-hour) Assignments policy with agency heads and designated fleet coordinators (communication copy attached).	Completed
C.3: Maintain a centralized listing of all Metropolitan Nashville take-home vehicles.	Accept. OFM maintains a listing of Metro agency fleet Take Home (24-hour) Assignments (current listing attached).	Completed
C.4: Request all departments annually submit a compliance report to the Office of Fleet Management. This report should include the vehicle decal number, employee's name, job title, and justification for the take-home vehicle assignment.	Accept. General Services accepts the recommendation to ask Metro agencies to submit a periodic, Take Home (24-hour) Assignments policy compliance report detailing required, pertinent information for each Take Home Assignment in effect.	June 30, 2018
C.5: Mark all vehicles with Metro Nashville emblem except for those specifically requested to be unmarked by the Chief of Police, or approved by the General Services Director. All exceptions should be documented.	Accept. Although it is already both OFM policy and practice to affix an appropriate decal package to Metro fleet units, General Services accepts the recommendation to specifically document instances in which the Metro Nashville emblem is not affixed to an automotive fleet unit (with due and proper care and consideration of the fact that some units are designated for undercover assignment).	June 30, 2018
C.6: Explore telematics technology to track take-home vehicles to limit abuse and ensure compliance with Administrative Order 07-09.	Accept. Public safety vehicles currently have installed GPS telematics technology, which enables both the Police and Fire Departments to track geographical locations of their fleet vehicles. General Services accepts the recommendation to consider the practicality of requiring regular, GPS telematics technology analysis of Take Home (24-hour) Assignment units.	June 30, 2018

APPENDIX A – MANAGEMENT RESPONSE AND CORRECTIVE ACTION PLAN

Recommendation	Concurrence and Corrective Action Plan	Proposed Completion Date
D.1: Document the Office of Fleet Management’s target direct time percentage and use the FASTER Fleet Management System to monitor employee productivity.	Accept. General Services OFM began using the FASTER Fleet Management System to report and monitor aspects of employee productivity with the March 2017 system implementation (example report attached). The stated OFM target for direct time is 80%.	Completed
E.1: Limit access to the parts room to employees that have job responsibilities that would necessitate entry.	Accept. OFM management recently reviewed the list of individuals that the department authorized for parts room access and confirmed that members of departmental management had (but never used) parts room access. OFM management contacted appropriate IT department staff, to update the list of individuals with General Services authorization for OFM parts rooms access (updated listing attached).	Completed
E.2: After hour part usages should be recorded with reference to calls and work orders.	Accept. OFM current practice includes recording parts use details with appropriate references to the relevant work order. Pursuant to this recommendation, OFM management will review parts use control procedures with particular attention to the need for enhanced policy relating to the time of day at which use occurs as well as to the expanded use of technological tools such as tablets.	June 30, 2018
E.3: Establish a procedure to analyze inventory of automotive parts annually, in terms of ending balance, carrying cost, turn-over, and spoilage so that an efficient stock level and accurate stock value can be determined.	Accept. OFM completes an analysis of automotive parts inventory twice annually. General Services accepts the recommendation to document appropriate, formal procedures for such analysis.	June 30, 2018
F.1: Define what constitutes a rework so that data can be accurately captured for effective managerial analysis.	Accept. Although OFM disputes the effectiveness of "rework" as an essential productivity measure, General Services accepts the recommendation to define what constitutes OFM "rework."	June 30, 2018
F.2: Work orders for reworks should be flagged and monitored by management.	Accept. Although OFM does not consider the "possible rework" system report examined by auditors to be a useful tool given existing resources and does not agree that this recommendation reflects a prudent emphasis and use of resources, General Services accepts the recommendation to identify rework instances for OFM management review and training opportunity follow-up.	June 30, 2018

APPENDIX A – MANAGEMENT RESPONSE AND CORRECTIVE ACTION PLAN

Recommendation	Concurrence and Corrective Action Plan	Proposed Completion Date
<p>G.1: Maintain or obtain access to records in the iProcurement purchasing system for all vehicle and equipment acquisition documentation required by the Administrative Order 05-09 or modify the administrative order to reflect current practice.</p>	<p>Accept. General Services accepts the recommendation to revise Administrative Order 05-09 to reflect current, best practice.</p>	<p>October 31, 2017</p>
<p>H.1: Continue with the implementation of recommendations from October 2012 Audit of Metropolitan Nashville Government’s Motor Fuel Usage Office of Fleet Management.</p>	<p>Accept. General Services accepts the recommendation to continue implementation of corrective actions, which were identified in response to the subject audit recommendations and remain outstanding.</p> <p>Recommendation J.1 is no longer applicable with the implementation of the latest fuel card contract.</p>	<p>June 30, 2018</p>

Audit of Office of Fleet Management

Total Number of Work Orders within audit scope:	66,383			
Total Possible Work Orders done by vendors:	2,869	4%		
	Over All	Ground	Heavy	Light
Population for analysis	2,869	113	654	2,102
Average calendar days lapsed	41	23	19	48
Maximum days	728	246	256	728
Minimum days	0	0	0	0
Median	12	15	9	13
Week or Less	37%	35%	46%	35%
1-2 Weeks	19%	14%	17%	19%
2-3 Weeks	10%	7%	11%	10%
3 Weeks to a Month	9%	10%	7%	10%
More than a Month	25%	35%	19%	26%
FY 16 3rd party repair expenditure	\$ 739,642			
Out of OFM total	6%			
Note:				
The total possible Work Orders are filtered from the complete Work Order list				
filtering Outside Vendor Maintenance, Warranty, and Wrecker Outside from				
the Description field.				
EBS does not have an apparent way of identifying work orders done by outside vendor.				
Disclaimer: It is believed that Work Order completion date is not consistently entered on date of repair completion.				

CROSSLIN

Comprehensive Annual Financial Report
For the Year Ended June 30, 2017

**METROPOLITAN NASHVILLE AUDIT COMMITTEE
2018 MEETING PLAN**

Meeting Date	Proposed Agenda Topics
February 13, 2018 (Tuesday)	<ul style="list-style-type: none"> • Office of Internal Audit Annual Performance Report • Internal Audit Annual Work Plan approval • Internal Audit issued report discussion • Open Audit Recommendations Status
April 10, 2018 (Tuesday)	<ul style="list-style-type: none"> • External Audit Single Audit and Management Letter presentation • Information Security Program Update • Internal Audit issued report discussion
June 26, 2018 (Tuesday)	<ul style="list-style-type: none"> • FY2018 External Audit plan and required communications • Internal Audit issued report discussion • Metropolitan Auditor performance review
September 11, 2018 (Tuesday)	<ul style="list-style-type: none"> • Metropolitan Audit Committee self-assessment • Bylaws annual review • Internal Audit issued report discussion • Open Audit Recommendations Status • External Audit Comprehensive Annual Financial Report Audit Progress Executive Session
November 27, 2018 (Tuesday)	<ul style="list-style-type: none"> • Internal Audit issued report discussion • External Audit Comprehensive Annual Financial Report Audit Progress Executive Session
December 11, 2018 (Tuesday)	<ul style="list-style-type: none"> • External Audit Comprehensive Annual Financial Report • Internal Audit issued report discussion

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