

DISTRICT FLEET UTILIZATION PRACTICES



PROPER FLEET LEVEL, UTILIZATION AND REDUCED
IDLE CAPACITY COULD RESULT IN SUBSTANTIAL
SAVINGS FOR THE DISTRICT

DECEMBER 2006



Miami-Dade County Public Schools
giving our students the world

THE SCHOOL BOARD OF MIAMI-DADE COUNTY, FLORIDA

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Miami-Dade County Public Schools

giving our students the world

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Rudolph F. Crew, Ed.D.

Chief Auditor
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November 29, 2006

Miami-Dade County School Board

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Members of The School Board of Miami-Dade County, Florida
Members of the School Board Audit Committee
Dr. Rudolph F. Crew, Superintendent of Schools

Ladies and Gentlemen:

In accordance with the Audit Plan for the 2005-06 Fiscal Year, we have performed an audit of the District's Fleet Utilization Practices for the period of July 1, 2005 through December 31, 2005. The objectives of the audit were to determine whether the District has the adequate fleet based on needs, and that it is being used efficiently and is properly accounted for. The report will be presented to the Audit Committee at its December 5, 2006 meeting. Based on their comments, suggestions and recommendations, the School Board should receive the final report at its December 13, 2006 meeting.

We found that vehicle assignment and utilization policies need to be established. Vehicle fleet appears to be excessive and could be brought into proper alignment by management performing an analysis of employee work pattern and vehicle needs. Additional findings included inaccuracies in the vehicle information management systems and the potential for realizing estimated savings of more than \$1 million.

Our findings and recommendations were discussed with management. Their responses along with explanations are included herein. As always, we would like to thank the management for their cooperation and courtesies extended to our staff during the audit.

Sincerely,

Allen Vann, CPA
Chief Auditor

Office of Management and Compliance Audits

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EXECUTIVE SUMMARY

The District's fleet is managed through various decentralized policies and procedures, which appear to be satisfactory in addressing vehicle use and maintenance. However, none of the policies and procedures, except for those used by School Police, provides criteria for vehicle acquisition and assignment. A comprehensive analysis of employee vehicle needs may enable management to reduce an apparently oversized fleet and eliminate most or all underutilization. This will enable a more effective and efficient fleet management program. The District could minimally realize estimated annual savings of \$1 million, excluding fuel cost.

Fleet information in the Property Control System did not agree with information provided by the departments. Discrepancies noted were incorrect vehicle identification number, incorrect or missing vehicle numbers, and incorrect vehicle description and year. Vehicles also contained visible personalized markings, such as bumper stickers and other paraphernalia that may be considered offensive.

Opportunities exist to improve controls over the District-provided procurement fuel card. Thirteen (13) active cards issued in the names of terminated employees and an employee who does not have a District-assigned vehicle have not been deactivated. Invoices for fuel purchases are usually forwarded to Account Payable for payment before supporting documentation from the various authorizing departments are received and reviewed. According to fuel usage reports, one vehicle was dispensed both unleaded and diesel fuel multiple times on multiple days. Additionally, the District could realize estimated savings of \$0.16 to \$0.55 cents per gallon if all District vehicles were fueled primarily at the District's fueling sites.

Based on our observations, we made 15 recommendations that management has agreed to implement. Our detailed findings and recommendations start on page 6.

Internal Controls

Our overall evaluation of internal controls for the District's fleet management function audited is summarized in the table below.

| INTERNAL CONTROLS RATING | | | |
|--------------------------------|--------------|-------------------|------------|
| CRITERIA | SATISFACTORY | NEEDS IMPROVEMENT | INADEQUATE |
| Process Controls | | X | |
| Policy & Procedures Compliance | | X | |
| Effect | | X | |
| Information Risk | | X | |
| External Risk (Image) | | X | |

| INTERNAL CONTROLS LEGEND | | | |
|--------------------------------|---|---|--|
| CRITERIA | SATISFACTORY | NEEDS IMPROVEMENT | INADEQUATE |
| Process Controls | Effective | Opportunities exist to improve effectiveness. | Do not exist or are not reliable. |
| Policy & Procedures Compliance | In compliance | Non-Compliance issues exist. | Non-compliance issues are pervasive, significant, or have severe consequences. |
| Effect | Not likely to impact operations or program outcomes | Impact on outcomes contained | Negative impact on outcomes |
| Information Risk | Information systems are reliable. | Data systems are mostly accurate but can be improved. | Systems produce incomplete or inaccurate data which may cause inappropriate financial and operational decisions. |
| External Risk (Image) | None or low. | Potential for damage | Severe risk of damage. |

BACKGROUND

To support its ongoing operations, the School District owns a fleet of various vehicles approximating 3,500 in number and \$119 million in cost. This fleet's composition, average age and cost are summarized in the following table:

| VEHICLE FLEET SUMMARY | | |
|-----------------------------------|----------|---------------------|
| Category | Quantity | Cost (In Thousands) |
| School Buses | 1,632 | \$ 82,952 |
| Maintenance | 884 | 18,739 |
| Passenger | 486 | 8,638 |
| Police | 241 | 4,645 |
| Transportation | 140 | 2,111 |
| Other (trailers and mobile homes) | 121 | 1,834 |
| Totals | 3,504 | \$118,919 |

The vehicle categories and age comprising the District's "white fleet" (i.e., all vehicles excluding school buses, trailers and mobile homes) are presented in the following table.

| District White Fleet By Categories | | |
|------------------------------------|----------|---------------------|
| Category | Quantity | Average Age (Years) |
| Cargo Van | 537 | 11 |
| Medium and Heavy Duty Trucks | 366 | 11 |
| Sedan | 338 | 10 |
| Law Enforcement Patrol Cruiser | 241 | 7 |
| Pick-up and 4x4 Trucks | 231 | 14 |
| Sport Utility Truck | 20 | 4 |
| Passenger Van | 18 | 7 |
| Totals | 1,751 | |

The majority of the fleet (98%) is parked overnight at various sites throughout the County. Only 41 or 2% of the fleet is assigned as "take-home" vehicles. Pursuant to Section B-13, Manual of Procedures for Managerial Exempt Personnel, the Superintendent of Schools has the authority to assign School Board vehicles to administrators as "take-home" vehicles.

The District has highly decentralized and varied policies regarding vehicle assignment and use. Vehicles and equipment are owned and controlled by individual departments. Departments purchase vehicles using budgeted funds, through the Department of Transportation (DOT). The DOT acquires all County vehicles with the approval of the District's Financial Office. Vehicles are purchased on bids whenever possible. Once received by the District, the vehicle is bar coded and tagged with a property control number, and in most cases, is assigned a vehicle number. The vehicle number is usually visually displayed on the rear or sides of the property. There are cases, however, where vehicles may be exempt from having a visual identification, for example an undercover police vehicle.

M-DCPS' Department of Transportation is responsible for maintaining all of the District's fleet, which it does from nine (9) Vehicle Maintenance sites throughout the District. Each site is assigned a composition of vehicles for servicing. Until recently, the Department of Transportation used the COMPASS work order and inventory system to manage the maintenance of the fleet; however, near the end of our audit fieldwork, it began using a new fleet management system – Transman.

The District currently uses three distribution systems to supply fuel to District-owned vehicles: an automated system – Vehicle Information Transmitter (VIT) operated by the Department of Transportation to dispense fuel at the 6 vehicle fueling sites; Shell procurement gas cards; and a private fuel supplier contracted to provide on-site night fueling at designated locations. Monitoring the reasonableness of fuel consumption is the responsibility of each department which owns or utilizes District vehicles.



OBJECTIVES, SCOPE, AND METHODOLOGY

In accordance with the approved audit plan for FY2005-06, we performed an audit of the District's Fleet Utilization Practices. The objectives of the audit were to determine whether the district's fleet:

- Has the appropriate number and composite of vehicles/equipment, based on needs.
- Has established policies, which clearly define utilization criteria that would assist the District in determining the number and types of vehicles and equipment needed, and that those policies are reviewed periodically.
- Are utilized efficiently for their intended purposes with limited idle capacity and that employee usage, where appropriate, is properly accounted for in compliance with the Internal Revenue Service guidelines.
- Presents opportunities for potential cost savings resulting from the disposal of excess inventory of vehicles or equipment.
- Has sound fleet utilization management practices that are being exercised.
- Favorably compares to other entities and industry vehicle/equipment utilization practices.

The scope of our audit covered operations during the period of July 1, 2005 to December 31, 2005. Certain tests, however, were performed on information for periods beginning in November 2004. Procedures performed to satisfy the audit objectives were as follow:

- Interviewed District staff.
- Reviewed operating policies and procedures, applicable Florida Statutes, School Board rules and Internal Revenue Service guidelines.
- Analyzed the composition of the fleet.
- Conducted on-site observation of the fleet.
- Examined, on a sample basis, documentation of mileage logs and fuel invoices.
- Benchmarked operations to other school districts.
- Performed various other audit procedures deemed necessary.

Our audit was conducted in accordance with generally accepted governmental auditing standards applicable to performance audits contained in Governmental Auditing Standards issued by the Comptroller General of the United States of America. This audit included an assessment of applicable internal controls.

FINDINGS AND RECOMMENDATIONS

1. IMPROVEMENTS NEEDED IN VEHICLE ASSIGNMENT AND UTILIZATION

The District work-related or passenger fleet comprises approximately 1,750 vehicles. One thousand one hundred seventy-two (1,172) or 67% of these vehicles are assigned to individual employees (some as “take-home” vehicles and some as work vehicles which remain on-site overnight). Of these, 884, including 120 specialized vehicles, such as backhoes, dump trucks, and tractors are assigned to Maintenance Operations’ tradespersons and administrators to be used in executing their daily functions.

The various departments throughout the District have their own policies and procedures governing vehicle use and maintenance, which appear to be satisfactory in addressing those matters. However, none of the policies and procedures reviewed (except for those used by School Police) establishes criteria for vehicle acquisition and assignment. Hence, a systematic decision-making model is not in place to determine the size and type of fleet needed or the employees who qualify for assigned use of District-provided vehicles.

To identify District-wide vehicle assignment policies, we interviewed management, surveyed in-house fleet users, and made several on-site fleet observations. We reviewed the records of the 884 vehicles, and found that in 332 cases, involving 88 employees, multiple vehicles were assigned as on-site working vehicles (not “take-home”) to an individual employee; 31 vehicles were assigned to retired or terminated employees; and 54 vehicles were assigned to employees whose job descriptions did not require extensive work-related travel. Numerous instances were noted where departments are retaining vehicles assigned as on-site working vehicles and retired employees’ vehicles, as spares. Most of the spare vehicles and the vehicles assigned to supervisors, exempted and non-exempted administrators appear to be underutilized or idle. Based on a comparison of the fleet inventory as recorded in the Property Accounting System and as reported by the various departments, more than 500 vehicles were reported unassigned or targeted to a specific employee, as shown in the table below. The District’s estimated cost of maintaining the spare fleet is \$1 million per year, excluding fuel cost. These conditions reflect poor internal controls and result in inefficiencies in operations evidenced by unnecessary expenditures to the District.

| SUMMARY OF FLEET RECONCILIATION AND POTENTIAL SAVINGS | |
|--|----------------|
| Total fleet per Property Accounting System | 3,504 |
| Less: School Buses – “Yellow Fleet” | 1,632 |
| Mobile homes, trailer, police equipment, etc. | <u>121</u> |
| | <u>(1,753)</u> |
| Total “White Fleet” (vehicles) per Property Accounting System | <u>1,751</u> |
| Difference between Property Accounting System and department survey ^α | <u>42</u> |
| | |
| Total “White Fleet” (vehicles) per department survey | 1,709 |
| Less: Total vehicles assigned to individuals per department survey | <u>(1,172)</u> |
| Total unassigned vehicles per department survey | <u>537</u> |
| | |
| Estimated costs (in thousands) of maintaining 537 unassigned vehicles – | |
| Repair and maintenance* | \$ 418 |
| Fuel** | - |
| Insurance*** | - |
| Depreciation* | <u>658</u> |
| Total | <u>\$1,076</u> |

^α - Includes 15 vehicles scheduled for auction which the departments removed from their lists of vehicles.

* - Repair and maintenance amount for FY04-05 as reported in COMPASS. Depreciation amount for FY04-05 as reported in the Property Accounting System.

** - Unable to determine fuel cost because reliable fuel usage data was not available.

*** - The District has a self-retention fund to provide liability coverage on all property, including vehicles, and an excess coverage policy with reported annual premiums of approximately \$498,000.

Notwithstanding the foregoing table, the number and composition of the District’s fleet appears to be appropriate in some segments, but excessive in other segments. As stated, holistic policies establishing systematic decision-making criteria for the determination of fleet size and vehicle assignment are not in place. Accordingly, there are no District-wide criteria to measure against. In testing the adequacy of the number and composition of the fleet, we applied certain assumptions, taking into consideration the work patterns of employees who are assigned vehicles, among other things. Our analyses were limited to the fleet at School Police, Maintenance and Transportation because of the large number of vehicles assigned to these departments. However, because our initial analysis

revealed that School Police had adequate procedures, we limited our substantive analyses to Maintenance and Transportation fleet.

Using the current size of the fleet, the vehicles' description, the number and category of employee, and the employees' work pattern, and applying a 20% factor for spare¹, our analysis suggests that the Maintenance and Transportation fleet was only slightly more than our model's ideal level. The variance derived solely from this analysis was not significant enough to conclude that the fleet was excessive. However, we also conducted two site observations of the various



Maintenance and Transportation sites during peak working hours and noted that there were 527 vehicles parked in the parking lots during the first observation and 205 during the second observation. A review of attendance and vehicle assignment records indicated that only 19 of the 527 and 23 of the 205 parked vehicles were assigned to employees reported absent on either of those two days. Further, 91 of the same vehicles that were present in the lot during our first observation were also

present during our second observation. Therefore, based on our observations and analysis, we conclude that the fleet appears to be excessive, and idle capacity may exist. A comprehensive analysis of employee work pattern and vehicle needs would enable management to reduce any underutilization or idle capacity and give them the opportunity to design a more effective and efficient fleet management program.

During the period November 2004 through October 2005, 41 “take-home” vehicles were assigned to administrative employees. While, there are no guidelines for the assignment of “take-home” vehicles, the superintendent has the authority for making such assignments. Notwithstanding, we noted that Regional Directors assigned three (3) “take-home” vehicles to Regional employees. The Accounting Department, however, was not notified that the employees had “take-home” vehicles; therefore, none of those employees was assessed the taxable fringe benefits associated with the personal use of the vehicles, as required by the Internal Revenue Service guidelines, Publications 463 – Travel, Entertainment, Gift, and Car Expenses, Chapter 4. Further analysis

¹ The 20% spare factor was derived from the U.S. Department of Transportation fleet management guidelines.

of the utilization of all “take-home” vehicles showed that 67% of the vehicle utilization was for personal use.

RECOMMENDATIONS

- 1.1 **Develop a uniform District-wide vehicle assignment policy and monitoring mechanism to ensure that multiple vehicles are not assigned to a single employee, to terminated employees, or other inappropriate assignments.**

Management Response: Business Operations in collaboration with the pertinent departments is currently developing a District-wide vehicle assignment policy and procedures and will incorporate these into the Employee Guide to M-DCPS Assigned Vehicles Manual. This policy will include procedures for acquisition, assignment, authorized use, upkeep and maintenance, and accountability system to ensure that inappropriate use is dealt with. The Departments will be required to review their vehicle assignment list on a quarterly basis for completeness and accuracy to ensure vehicles are optimally assigned. Multiple vehicles currently listed as assigned to a single employee in the **Office of School Facilities (Maintenance Operations)** database will be changed to reflect their actual pool status and identify the administrator responsible for each vehicle.

URGENCY OF CORRECTIVE ACTION

- ☐ Critical
- ☒ Important
- ☐ Desirable

IMPLEMENTATION SCHEDULE

- ☐ Immediately (Short Term)
- ☒ By September 2007
- ☐ Contingent upon Funding

- 1.2 **Perform a comprehensive analysis of employees' work patterns and fleet needs to determine the proper level and composition of the fleet.**

Management Response: To some extent idle capacity is caused by the need for special function vehicles not used daily. For example, vehicles with cranes: dump trucks, and bucket/boom trucks. In addition, at Maintenance some vehicles are idle due to staff turnover and staff shortages. Nevertheless, **the Office of School Facilities (Maintenance Operations)** will conduct a comprehensive analysis of the employees' working patterns and prepare a District-wide written policy to better manage vehicle assignments. The fleet inventory will be evaluated to ensure that the required types and number of vehicles needed are available to meet the District's mission. Vehicles that are not needed, as determined based on the individual vehicle's monthly mileage and the amount of time that the vehicle is used will be eliminated from the fleet.

Maintenance Operations has requested fuel consumption reports from the **Department of Transportation (DOT)** to assist in assessing which vehicles are underutilized. In addition, Maintenance is already in the first phase of a comprehensive analysis. It is reviewing the inventory and each vehicle's function. In the future, replacement vehicles will be purchased that provide the same function but are smaller and will reduce the driver's license requirements thereby making it easier to recruit employees for grounds positions.

An example would be the mower, truck and trailer package. Staff has completed an analysis and has rewritten the specifications for the three pieces of equipment that will: (1) be more fuel efficient; (2) be easier to drive through county streets; and (3) eliminate the need for the highest level of Commercial Driver License (CDL) license. This should enable the District to successfully recruit for these positions.

URGENCY OF CORRECTIVE ACTION

- ☐ Critical
- ☒ Important
- ☐ Desirable

IMPLEMENTATION SCHEDULE

- ☐ Immediately (Short Term)
- ☒ By June 2007
- ☐ Contingent upon Funding

1.3 Consider establishing a vehicle pool for use by supervisors and administrators.

Management Response: Business Operations already has a very small pool of vehicles for the use of supervisors and administrators at the School Board Administration Building. In addition, a pool of vehicles has already been established for **Maintenance Operations** for the use of supervisors and administrators on an as needed basis. Pool vehicles will be noted on the database by location.

URGENCY OF CORRECTIVE ACTION

- ☐ Critical
- ☒ Important
- ☐ Desirable

IMPLEMENTATION SCHEDULE

- ☒ Immediately (Short Term)
- ☐ By _____
- ☐ Contingent upon Funding

- 1.4 **Ensure that employee's personal use of District vehicle is reported to the Accounting Department and included as taxable fringe benefits to the employee.**

Management Response: In order to improve accountability over vehicles assigned to the **Regional Centers**, the **Associate Superintendent** developed a monitoring mechanism for assigned vehicles. Each Regional Center is assigned three vehicles, one for the Assistant Superintendent and two for Region Directors, which have already been reported to Accounting. **The Office of the Controller** already has procedures for tax reporting of take-home vehicles, and will use the above mentioned monitoring mechanism to ensure compliance.

URGENCY OF CORRECTIVE ACTION

- ☐ Critical
- ☒ Important
- ☐ Desirable

**IMPLEMENTATION
SCHEDULE**

- ☒ Immediately (Short Term)
- ☐ By _____
- ☐ Contingent upon Funding

2. IMPROVEMENTS NEEDED IN VEHICLE RECORDS AND IDENTIFICATION

Section 273.02 of the Florida Statutes and Section 10.350, Rules of the Auditor General specify the content of individual property records. The applicable laws also require a complete annual physical inventory count and reconciliation of all tangible personal property to the Property Control System. While there appears to be established procedures for maintaining property records, the following deficiencies were noted in accountability for the motor vehicles:

- The inventory information provided by each department did not reconcile to the Property Control System report or to fleet inventory records maintained by the Department of Transportation.
- Eighty-seven (87) or 5% of 1,751 “white fleet” vehicles surveyed were not at the locations recorded in the Property Control System. The vehicles were retired, traded or taken to other locations by a transferring employee. The records, however, did not reflect any of these conditions.
- Twenty-three (23) or less than 1% of 1,751 “white fleet” vehicles surveyed revealed that the information in the Property Control System did not agree with the information provided by the departments to which the vehicles are assigned. Discrepancies noted were incorrect vehicle identification number, incorrect or missing vehicle numbers, and incorrect vehicle description and year.

The failure to maintain accurate and complete vehicle data could adversely affect management’s ability to account for the size, location and attributes of the District’s fleet, as well as positively establishing accountability for situations involving the fleet.

Section 10.360, Rules of the Auditor General requires each item of property to be permanently marked to establish ownership and identity. The marking must visibly display the information required to identify the item.

While most of the District vehicles have markings that show ownership, the following deficiencies were noted:

- Forty-nine (49) or 7% of 732 vehicles inspected either did not have the M-DCPS logo or the vehicle numbers, or the complete number was not visible.
- Twenty (20) or 3% of 732 vehicles inspected, contained visible personalized markings, such as bumper stickers or paraphernalia that may be considered offensive.



Exceptions to having the School District's logo should be allowed for certain school police vehicles and other vehicles approved by the Superintendent of Schools.

RECOMMENDATIONS

2.1 Developed procedures to reconcile vehicle information in the Property Control System to departments' vehicle property records.

Management Response: The Department of Transportation (DOT) in collaboration with the **Office of the Controller** will ensure compliance with district-wide procedures, and that new fleet acquisition and/or transfer of property is properly documented and recorded in the Property Control System. In as much as DOT's new fleet management system interfaces with the Property Control System, the new procedures will include periodic reviews of reports which identify any changes in the fleet inventory. DOT will provide monthly reports to the Office of the Controller listing any discrepancies in vehicle location assignments. Additionally, shop managers will verify, as part of the preventive maintenance inspection that the vehicle belongs to the work location that brought the vehicle in for service. Individual departments that control vehicle assignments and transfers will be required to adhere to these procedures.

URGENCY OF CORRECTIVE ACTION**IMPLEMENTATION
SCHEDULE**

- ☐ Critical
- ☒ Important
- ☐ Desirable

- ☐ Immediately (Short Term)
- ☒ By January 2007
- ☐ Contingent upon Funding

2.2 Affix proper identification markings to all appropriate vehicles and remove personalized markings and paraphernalia from vehicles.

Management Response: DOT will develop a district-wide policy for assigning identification numbers to all District vehicles. DOT currently attaches identification and logos to its service vehicles. Also, department heads will be required to identify and instruct personnel to remove any personalized markings from the vehicles and in the future to abstain from placing bumper stickers and/or paraphernalia on District vehicles. At the time of servicing vehicles, DOT will also inspect vehicles for inadequate or inappropriate markings and remedy any deviant condition.

URGENCY OF CORRECTIVE ACTION**IMPLEMENTATION
SCHEDULE**

- ☐ Critical
- ☒ Important
- ☐ Desirable

- ☐ Immediately (Short Term)
- ☒ By March 2007
- ☐ Contingent upon Funding

3. IMPROVE CONTROLS OVER SHELL GAS CARDS

The District issued a total of 56 Shell procurement gas cards to administrative employees and work locations – 25 to Cabinet Members; 27 to schools with driver's education programs; and four (4) to the District Inspections, Operations and Emergency Management.

We reviewed policies, procedures and management analysis, and sampled monthly invoices associated with the Shell gas cards. The internal controls over the Shell gas cards are not adequate to ensure that the cards are only being used to fuel Miami-Dade County Public Schools owned vehicles. The following deficiencies were evident from our review:

- Two (2) administrators, whose assigned vehicles had been returned, were in possession of active Shell gas cards. Invoices for fuel purchased with the Shell cards are usually forwarded to Accounts Payable for payment before supporting documentation from the various authorizing departments is received. Each department is responsible for ensuring that the fuel is being used appropriately.
- According to the Shell Oil Company, the District has 69 active gas cards. Fifty-six (56) cards are assigned to a specific employee or schools. Of the 69 cards, thirteen (13) were issued in the name of terminated employees or those who no longer have a District-owned vehicle assigned. In July 2004, the Shell Gas Company was contacted to deactivate 39 gas cards assigned to employees in this classification. Staff, however, stated that their requests to deactivate cards are sometimes not acted upon. According to staff, Shell instead re-issued new cards in the names of the terminated employees upon the expiration of the cards. We noted that these cards were not physically given to these former employees, but were held in custody of an administrative secretary. During the course of the audit, we instructed staff to deface the cards and request that the cards be deactivated; to which staff complied. It is the District's practice to ask the employees to return the card to Procurement Management Services, which cuts the card if it is returned. The Shell gas cards are not transferable. New cards are issued in the name of authorized cardholder.
- The numbers used to identify the various authorized users, throughout the District, are not homogeneous. Consequently, it is very cumbersome to reconcile fuel usage to authorized departments and vehicles, and to the Shell invoice.

- Driver's Education Management Fuel Usage Analysis showed total driver's education fuel usage for the month of August 2005 totaling \$522.49; however, the Shell invoice showed total usage for the same period as \$1,402.17. Management was unable to reconcile this difference or provide a satisfactory explanation.

Potential cost savings could be realized through a practice of fueling District-assigned vehicles primarily at any of the six (6) M-DCPS owned fueling facilities located throughout the county, rather than at local gas stations. The District could realize estimated cost savings of \$0.16 to \$0.55 cents per gallon if all District vehicle operators were required to use District fueling sites as a primary fuel source. The Shell gas card should only be used as a secondary or emergency fuel source.

RECOMMENDATIONS

- 3.1 Develop procedures to ensure that active gas cards are in the custody of only authorized employees who are assigned District-owned vehicles, and that cards are obtained from terminated employees. The specific vehicle and employee should be linked to the card.

Management Response: To improve controls, distribution and termination of use for gasoline cards to approved district employees has been reassigned to the **Office of the Controller**. New procedures under development will require departments to collect the Shell gas card from an employee when he/she separates from the District or is no longer authorized to use the card and to promptly forward the card to the **Office of the Controller**.

URGENCY OF CORRECTIVE ACTION

- ☐ Critical
- ☒ Important
- ☐ Desirable

IMPLEMENTATION SCHEDULE

- ☐ Immediately (Short Term)
- ☒ By January 2007
- ☐ Contingent upon Funding

- 3.2 Insure the timely deactivation of gas cards issued to former employees upon their termination from M-DCPS.

Responsible Department: Business Operations.

Management Response: As part of the new procedures mentioned in response to 3.1, **Procurement Management** contacted the Shell Gas Company and requested immediate deactivation of gas cards issued to terminated employees or to those no longer authorized to use the cards. This function will also be transferred to the **Office of the Controller** by January 2007.

URGENCY OF CORRECTIVE ACTION

**IMPLEMENTATION
SCHEDULE**

- ☐ Critical
- ☒ Important
- ☐ Desirable

- ☐ Immediately (Short Term)
- ☒ By January 2007
- ☐ Contingent upon Funding

- 3.3 Develop and assign consistent, homogeneous numbers to identify the gas cards and the assigned cardholder.**

Management Response: As indicated above, the **Office of the Controller** will assume responsibility for administering the gas cards.

URGENCY OF CORRECTIVE ACTION

**IMPLEMENTATION
SCHEDULE**

- ☐ Critical
- ☒ Important
- ☐ Desirable

- ☐ Immediately (Short Term)
- ☒ By January 2007
- ☐ Contingent upon Funding

- 3.4 Review and reconcile properly authorized fuel purchase receipts to the Shell fuel invoice prior to payment.**

Management Response: In reference to the Driver's Education Cars issue, the **Division of Life Skills and Special Projects** has developed a procedure in the Utilities Management System for card holders and work location administrator to verify purchases and reconcile gas receipts with monthly invoices via the District e-mail system prior to approving invoices for payment. The card holder will:

- Receive a copy of their monthly invoice detailing each transaction.
- Be required to reconcile gas receipts with the monthly invoice.
- Acknowledge the invoice accuracy prior to the payment due date.
- Be responsible for maintaining gas receipts and invoices at their work site for auditing purposes.

If an acknowledgement is not received by the payment due date, a reminder will be sent to the card holder and, if necessary, account credits will be requested from Shell.

The school summaries for the month of August, 2005, reported missing has been obtained to support the charges from the Shell Corporation.

URGENCY OF CORRECTIVE ACTION

**IMPLEMENTATION
SCHEDULE**

- ☐ Critical
- ☒ Important
- ☐ Desirable

- ☐ Immediately (Short Term)
- ☒ By January 2007
- ☐ Contingent upon Funding

3.5 Encourage vehicle fueling at the District's fueling sites, except when impractical or necessitated by extenuating circumstances. The Shell gas card should only serve as a secondary fueling source.

Management Response: Management considers this a good idea. However, similarly acknowledges the limitations noted. At times, it is impractical for some staff members to fuel at the District's fueling sites due to logistical limitations. The District's service vehicles, which account for the majority of the fleet, will continue to be fueled at the District's six fueling sites. Periodic reminders will be sent by the **Office of the Controller** to encourage use of the fuel site facilities.

URGENCY OF CORRECTIVE ACTION

**IMPLEMENTATION
SCHEDULE**

- ☐ Critical
- ☒ Important
- ☐ Desirable

- ☐ Immediately (Short Term)
- ☒ By January 2007
- ☐ Contingent upon Funding

4. MONITORING OF FUEL CONSUMPTION LIMITED BY DATA RELIABILITY

The principal system used for dispensing fuel to the District's fleet is the Vehicle Information System (VIT). Using a fuel tracking device installed in the fuel tank area of the vehicle, the VIT system tracks fuel distributed through the fuel pumps located at the District's six (6) Transportation centers. The tracking device serves three purposes: (1) it activates the fuel pump and allows the user to obtain fuel without the use of a fuel card or pin number; (2) it captures data which allow management to generate weekly fuel consumption reports for each vehicle; and (3) it introduces controls which disallow unauthorized fueling. The system generates various weekly and monthly fuel consumption reports for vehicles that are fueled through the system. The reports are printed by ITS and contain the following information: (1) date and time of the fueling; (2) gallons of fuel consumed; (3) unit cost of the fuel; (4) total cost of fuel consumed; and (5) vehicle odometer reading at the time of the fueling. A vehicle utilization summary and an error report are also included.

Clerks at the Department of Transportation review the utilization summary and error report, and attempt to resolve any system errors by researching the daily and monthly fuel reports and the fuel distribution information provided by the outside vendors. If the source of the error cannot be determined, the clerk forwards the reports to the respective vehicle maintenance centers and to the appropriate department managers for resolution.

In July 2003, the Auditor General issued a report entitled "Operational Audit of Transportation Activities for Miami-Dade County District School Board".² The report cited the District for not monitoring the fuel efficiency of the District-owned vehicles. In response to this finding, the District implemented the VIT system.

² Florida Auditor General Report No. 2004-009.

We reviewed the fuel consumption reports generated from the VIT system for 84 vehicles covering the period October 1, 2004 through October 31, 2005. The results of our analysis are summarized in the table below.

| Condition | Number of Occurrence | Percent of Total Sample |
|--|----------------------|-------------------------|
| Vehicle without exceptions | 24 | 29% |
| Inaccurate unit cost or no unit cost. | 18 | 21% |
| No fuel record found for vehicle. | 16 | 19% |
| Vehicle with both inaccurate unit cost and odometer reading. | 13 | 15% |
| Odometer reading or mileage inaccurate. | 10 | 12% |
| Vehicle fuel using VIT and M-DCPS issued Shell Gas Card. | 3 | 4% |
| Total | 84 | 100% |

In addition to the conditions noted above, we also noted other abnormal conditions. (Please see Exhibit I). For example, there were 17 instances where vehicles were fueled twice in one day within relatively short intervals or even at the same time of day. According to Transportation management, this condition likely occurred due to an interruption or break in fueling and a resumption of fueling just moments after using the VIT system. The reports reviewed showed that one vehicle was fueled at two different locations at exactly the same time of day. According to Transportation management, the time reflected in the fuel consumption report is not the time of the actual transaction, which might have been a time when the system was off-line or down; but the time when the system came back on-line and the transaction was posted to the system. The reports also showed that one vehicle was dispensed both unleaded and diesel fuel multiple times on multiple days. For example, 16 gallons of diesel fuel and 20 gallons of unleaded fuel were dispensed to this vehicle hours apart on one day and 13.2 gallons of diesel fuel and 13.8 gallons of unleaded fuel hours apart on another day. According to Transportation management, this condition occurred because the vehicle was programmed in the VIT system to receive both diesel and unleaded fuel. They further stated that this programming error was rectified. The foregoing highlights some of the identified instances of unreliability of the data contained in these management reports.

The VIT system's fuel transaction reports reviewed also showed abnormally wide variations in the unit cost (in gallons) for fuel dispensed. (Please see Exhibit I). While not all inclusive, examples noted were \$0.00, \$35.15 and \$159.24. These variations were explained as occurring because of inventory adjustments resulting from the practice of recording larger quantities of fuel than the amounts

actually received. The effect of these conditions is that both inventory and cost distribution information is inaccurate. Further, controls over the propriety of fuel usage are compromised.

For the 16 vehicles without fuel records indicated above, our test showed that in some cases, the gas cards used to execute the fueling transaction were not the cards assigned to the specific vehicles. Consequently, the actual fuel consumption could not be tracked. We also noted that driver's education vehicles do not use the VIT system. Department of Transportation staff informed us that the VIT system will not be installed in these vehicles.

The District's response to the Auditor General's report indicated that all vehicles would be outfitted with the new equipment and that appropriate controls and fuel consumption accountability records would be incorporated into the new system. However, our audit showed that the problems noted by the Auditor General still exist. Our interview with management showed that attempts were made to review the fuel reports. However, because of all the errors and inconsistencies in the reports, management found the report to be of little use. There was little to no documented evidence to prove that the errors or exceptions noted on the fuel report were ever resolved or corrected by management.

RECOMMENDATIONS

4.1 Install the necessary equipment needed for the VIT System on all District-owned vehicles.

Management Response: DOT will conduct a survey of the fleet to determine the number of vehicles not currently equipped with the Vehicle Information Transmitter (VIT) and perform a cost-benefit analysis to retrofit all the vehicle and equipment. In the event that our analysis finds such a retrofit to be beneficial and feasible, DOT will secure funding to install the transmitters.

URGENCY OF CORRECTIVE ACTION

- ☐ Critical
- ☒ Important
- ☐ Desirable

IMPLEMENTATION SCHEDULE

- ☐ Immediately (Short Term)
- ☒ By March 2007
- ☐ Contingent upon Funding

4.2 Perform an analysis of the VIT system and eliminate the various shortcomings of the system which reduce its effectiveness as a management tool.

Management Response: DOT will continue to review the fuel exception reports and resolve any discrepancies, as well as use noted discrepancies to identify areas in the system that are in need of enhancements or modifications.

Several of the exceptions noted in the report were caused by a technician who programmed a VIT to two different units. Also, when there is a break in the frequency between the VIT antenna and the radio frequency receiver mounted in the fuel pump dispensing nozzle, it is shown as two transactions being done within minutes apart. Some of the transactions that occur after the daily fuel report is collected must be rolled over to the following day and they show in the report as occurring at or about 4:00 a.m.

URGENCY OF CORRECTIVE ACTION

- ☐ Critical
- ☒ Important
- ☐ Desirable

**IMPLEMENTATION
SCHEDULE**

- ☒ Immediately (Short Term)
- ☐ By _____
- ☐ Contingent upon Funding

4.3 Require each department to review the VIT fuel consumption reports and investigate and resolve unusual consumption, exceptions or errors, in a timely manner.

Management Response: User departments will be required to review the VIT consumption reports and investigate noted unusual consumption and/or errors in a timely manner. DOT has been working for some time with other departments requesting assistance to correct, investigate and resolve pending issues with their vehicles. In many cases, DOT has restricted the access to fuel pumps to those departments that continue to have exceptions in their reports. Additionally, we are currently evaluating the possibility of integrating the fuel management system with the new fleet management (TRANSMAN) system. This software integration will provide staff with access to information needed to make sound decisions as they relate to repairs and maintenance of the District's fleet.

URGENCY OF CORRECTIVE ACTION

- ☐ Critical
- ☒ Important
- ☐ Desirable

**IMPLEMENTATION
SCHEDULE**

- ☐ Immediately (Short Term)
- ☒ By June 2007
- ☐ Contingent upon Funding

5. FLEET AGE IS NOT ALIGNED WITH VEHICLE REPLACEMENT INTERVALS

Miami-Dade County Public Schools Department of Transportation Fleet Maintenance Division has vehicle replacement guidelines and procedures for the entire District. The objective of these guidelines is to promote an orderly system of purchasing and funding a standardized fleet replacement process. The suggested vehicle replacement schedule is listed below.

| Vehicle Type | Replacement Age/Miles |
|------------------------------|------------------------|
| Sedan | 8 years/90,000 miles |
| Law Enforcement Patrol | 5 years/95,000 miles |
| Passenger Vans | 8 years/90,000 miles |
| Cargo Vans | 10 years/95,000 miles |
| Sports Utility Trucks | 8 years/90,000 miles |
| Pickup and 4x4 Trucks | 10 years/100,000 miles |
| Medium and Heavy Duty Trucks | 12 years/120,000 miles |
| Buses | 12 years/180,000 miles |
| Miscellaneous Equipment | By condition |

The guidelines for vehicles considered for replacement are based on the vehicles meeting the predetermined age and/or mileage criteria. As the vehicle reaches the targeted replacement criteria, the Department of Transportation performs a vehicle maintenance evaluation. If the evaluation proves that the vehicle would be economical to retain for an additional year, the vehicle is targeted for retention or reassignment.

Analysis of the age of the District's fleet showed that the actual age of the District's current fleet ranged from 1 year to 26 years. The sedan, cargo vans, and pickup trucks categories are the oldest vehicles in the fleet. The average age for vehicles in these categories is 11 years. Management interviews outlined the fact that due to budget constraints, vehicles cannot always be replaced according to the guidelines set by the Department of Transportation. According to management, District departments' budgets do not have a working vehicle replacement fund. The only department that has a working vehicle replacement budget is the police department.

The establishment of a replacement fund will enable the District to reduce fleet costs by maintaining a newer fleet. Maintaining a newer fleet enables the District to take optimal advantage of manufacturer's warranty program and it should help lower maintenance and fuel costs.

RECOMMENDATIONS

5.1 Establish budgeted vehicle replacement fund to replace vehicles based on established replacement intervals and justified needs.

Management Response: Once we evaluate the fleet inventory and dispose of idle vehicles, we will prepare a 5-year plan detailing our future needs. We then will present it to management for consideration and for the establishment of a vehicle replacement fund in the District's budget. Our evaluation will also provide opportunity for us to evaluate our vehicle replacement intervals.

URGENCY OF CORRECTIVE ACTION

- ☐ Critical
- ☒ Important
- ☐ Desirable

IMPLEMENTATION SCHEDULE

- ☐ Immediately (Short Term)
- ☒ By June 2007
- ☒ Contingent upon Funding

Exhibit I – VIT Vehicle Fueling Transactions

Dade County Schools

Exhibit I – VIT Vehicle Fueling Transactions

Transactions by Vehicle w/ MPG and Employee

From 10/01/2004 through 09/30/2005

Vehicle ID: 103859

| Date/Time | Site | Term ID | Pump | Volume | Unit Cost | Cost | Odometer Reading | Miles Since | MPG | Employee |
|---------------------|-----------|---------|------|---------------|-----------|----------|------------------|-------------|-----|----------|
| 10/20/2004 6:37 AM | SOUTHWEST | 0 | 3 | 35,800 Diesel | \$1.00 | \$35.80 | 80,803 | - | - | - |
| 10/20/2004 8:53 AM | SOUTHWEST | 6 | 3 | 29,600 Diesel | \$1.00 | \$29.60 | 80,863 | 0 | - | - |
| 11/05/2005 2:31 PM | SOUTHWEST | 6 | 1 | 0.000 Diesel | \$35.15 | \$1.00 | 1 | 90,862 | - | - |
| 01/05/2005 2:33 PM | SOUTHWEST | 6 | 3 | 36,100 Diesel | 159.24 | 5,743.38 | 91,336 | 91,335 | - | - |
| 01/05/2005 2:34 PM | SOUTHWEST | 6 | 1 | 29,000 Diesel | \$35.15 | 1,019.47 | 91,336 | 0 | - | - |
| 02/22/2005 4:00 AM | SOUTHWEST | 6 | 3 | 33,400 Diesel | 159.24 | 5,318.45 | 1 | 91,335 | - | - |
| 02/14/2005 4:00 AM | REDLAND | 3 | 2 | 20,000 Diesel | \$1.00 | \$20.00 | 1 | 0 | - | - |
| 03/15/2005 1:22 PM | SOUTHWEST | 6 | 3 | 24,800 Diesel | 159.24 | 3,947.18 | 1 | 0 | - | - |
| 03/28/2005 9:32 AM | SOUTHWEST | 6 | 1 | 37,900 Diesel | \$35.15 | 1,332.34 | 92,488 | 92,487 | - | - |
| 04/11/2005 4:00 AM | SOUTHWEST | 6 | 3 | 29,900 Diesel | 159.24 | 4,761.13 | 92,750 | 262 | 8.1 | - |
| 04/11/2005 4:01 AM | SOUTHWEST | 6 | 3 | 26,000 Diesel | 159.24 | 4,140.11 | 92,751 | 1 | 0.1 | - |
| 05/10/2005 9:43 AM | SOUTHWEST | 6 | 3 | 22,200 Diesel | 159.24 | 3,535.02 | 1 | 92,750 | - | - |
| 05/13/2005 11:52 AM | REDLAND | 3 | 1 | 22,800 Diesel | \$1.00 | \$22.00 | 1 | 0 | - | - |
| 05/23/2005 8:51 AM | SOUTHWEST | 6 | 3 | 26,800 Diesel | 159.24 | 4,235.65 | 1 | 0 | - | - |
| 06/07/2005 1:29 PM | SOUTHWEST | 6 | 1 | 2,400 Diesel | \$35.15 | \$84.36 | 1 | 0 | - | - |
| 06/07/2005 1:31 PM | SOUTHWEST | 6 | 3 | 25,500 Diesel | 159.24 | 4,062.62 | 93,085 | 93,084 | - | - |
| 06/26/2005 12:26 PM | SOUTHWEST | 6 | 3 | 3,700 Diesel | 159.24 | \$587.54 | 1 | 33,084 | - | - |
| 07/03/2005 1:16 PM | SOUTHWEST | 6 | 3 | 11,700 Diesel | 159.24 | 1,863.05 | 1 | 0 | - | - |

Vehicle #103859
fueled multiple
times on the same
day at significantly
varying unit prices.

* = Manual Entry Transaction, "M" = Master Card Transaction, "S" = Site Card Transaction, "B" = Bypass Transaction, "V" = VIT Transaction
Wednesday, November 2, 2005

Transactions by Vehicle w/ MPG and Employee

From 10/01/2004 through 09/30/2005

Vehicle ID: 103859

Vehicle ID: 103055

| Date/Time | Site | Term ID | Pump | Volume | Unit Cost | Cost | Odometer Reading | Miles Since | MPG Employee |
|-----------------------|-----------|---------|------|---------------|-----------|-------------|------------------|-------------|--------------|
| V 07/14/2005 11:22 AM | SOUTHWEST | 6 | 1 | 26.200 Diesel | \$36.15 | \$921.03 | 1 | - | - |
| V 07/27/2005 8:35 AM | SOUTHWEST | 6 | 1 | 16.300 Diesel | \$2.43 | \$39.62 | 1 | - | - |
| V 07/27/2005 8:36 AM | SOUTHWEST | 6 | 1 | 6.800 Diesel | \$2.43 | \$16.53 | 1 | 0 | - |
| V 07/27/2005 8:40 AM | SOUTHWEST | 6 | 3 | 22.200 Diesel | \$2.43 | \$53.97 | 94,376 | 94,375 | - |
| V 08/05/2005 2:42 PM | SOUTHWEST | 6 | 1 | 21.300 Diesel | \$35.15 | \$749.78 | 1 | -94,375 | - |
| V 08/05/2005 2:46 PM | SOUTHWEST | 6 | 3 | 23.000 Diesel | 159.24 | 3,662.41 | 94,666 | 94,665 | - |
| V 08/29/2005 4:00 AM | SOUTHWEST | 6 | 3 | 30.100 Diesel | \$2.12 | \$63.87 | 1 | -94,665 | - |
| V 08/29/2005 4:00 AM | SOUTHWEST | 6 | 3 | 24.100 Diesel | \$2.12 | \$51.14 | 95,115 | 95,114 | - |
| V 09/01/2005 8:28 AM | SOUTHWEST | 6 | 3 | 17.900 Diesel | \$2.45 | \$43.87 | 1 | -95,114 | - |
| V 09/06/2005 4:00 AM | SOUTHWEST | 6 | 3 | 9.000 Diesel | \$2.45 | \$0.00 | 95,420 | 95,419 | - |
| V 09/06/2005 4:00 AM | SOUTHWEST | 6 | 3 | 9.000 Diesel | \$2.45 | \$0.00 | 1 | -95,419 | - |
| V 09/12/2005 4:00 AM | SOUTHWEST | 6 | 1 | 17.600 Diesel | \$2.50 | \$44.01 | 1 | 0 | - |
| V 09/12/2005 4:00 AM | REDLAND | 3 | 2 | 10.900 Diesel | \$2.50 | \$27.25 | 1 | 0 | - |
| V 09/12/2005 2:15 PM | REDLAND | 3 | 2 | 9.000 Diesel | \$2.50 | \$22.50 | 1 | 0 | - |
| V 09/13/2005 7:43 AM | REDLAND | 3 | 1 | 18.600 Diesel | \$2.50 | \$46.51 | 1 | 0 | - |
| V 09/14/2005 7:26 AM | REDLAND | 3 | 1 | 21.800 Diesel | \$2.68 | \$58.31 | 1 | 0 | - |
| V 09/26/2005 4:00 AM | REDLAND | 3 | 2 | 4.400 Diesel | \$2.34 | \$10.30 | 1 | 0 | - |
| V 09/26/2005 4:00 AM | REDLAND | 3 | 2 | 9.000 Diesel | \$2.34 | \$21.07 | 1 | 0 | - |
| Vehicle Totals: | | | | Quantity | Price | \$47,209.28 | Mileage | MPG | |
| | | | | 712.600 | | | | | |

Odometer reading and trip mileage data are unreliable.

Vehicle #103859 fueled multiple times on the same day.

* = Manual Entry Transaction, "M" = Master Card Transaction, "S" = Site Card Transaction, "G" = Bypass Transaction, "V" = VIT Transaction
Wednesday, March 08, 2006 Page 3 of 3

Exhibit I – VIT Vehicle Fueling Transactions (continued)

Transactions by Vehicle w/ MPG and Employee

From 10/01/2004 through 09/30/2005

Vehicle ID: 154104

| | <u>Date/Time</u> | <u>Site</u> | <u>Term ID</u> | <u>Pump</u> | <u>Volume</u> | <u>Unit Cost</u> | <u>Cost</u> | <u>Odometer Reading</u> | <u>Miles Since</u> | <u>MPG Employee</u> |
|-----------------|---------------------|-------------|----------------|-------------|------------------|------------------|-------------|-------------------------|--------------------|---------------------|
| V | 08/11/2005 5:23 PM | SOUTHWEST | 6 | 3 | 17.000 Diesel | .159.24 | 2,706.99 | 27,210 | 7,565 | - |
| V | 08/29/2005 4:00 AM | SOUTHWEST | 6 | 3 | 16.000 Diesel | \$2.12 | \$33.95 | 27,247 | - | - |
| V | 08/29/2005 11:50 AM | NORTH EAST | 4 | 3 | 20.000 Unleaded | \$2.24 | \$44.85 | 9,690 | -17,557 | - |
| V | 08/30/2005 8:51 AM | SOUTHWEST | 6 | 3 | 15.300 Diesel | \$2.12 | \$32.46 | 27,305 | 17,515 | - |
| V | 09/02/2005 8:22 AM | SOUTHWEST | 6 | 3 | 13.200 Diesel | \$2.45 | \$32.35 | 27,360 | 55 | 4.2 |
| V | 09/02/2005 10:47 AM | SOUTHWEST | 6 | 2 | 13.800 Unleaded | \$2.39 | \$33.04 | 23,091 | -4,269 | - |
| V | 09/07/2005 2:44 PM | SOUTHWEST | 6 | 2 | 12.800 Unleaded | \$1.00 | \$12.80 | 34,420 | 11,329 | - |
| V | 09/09/2005 2:39 PM | SOUTHWEST | 6 | 3 | 19.100 Diesel | \$2.50 | \$47.75 | 27,418 | -7,002 | - |
| V | 09/12/2005 8:52 AM | SOUTHWEST | 6 | 2 | 15.700 Unleaded | \$1.00 | \$15.70 | 47,458 | 20,940 | - |
| V | 09/14/2005 11:24 AM | SOUTHWEST | 6 | 2 | 7.000 Unleaded | \$1.00 | \$7.80 | 10,397 | -37,061 | - |
| V | 09/15/2005 12:48 PM | SOUTHWEST | 6 | 2 | 16.900 Unleaded | \$3.47 | \$58.69 | 62,058 | 51,661 | - |
| V | 09/16/2005 9:54 AM | SOUTHWEST | 6 | 2 | 16.600 Unleaded | \$3.47 | \$57.65 | 15,001 | -47,057 | - |
| V | 09/19/2005 12:41 PM | SOUTHWEST | 6 | 2 | 11.700 Unleaded | \$3.47 | \$40.61 | 71,999 | 56,998 | - |
| V | 09/22/2005 12:41 PM | SOUTHWEST | 6 | 2 | 12.500 Unleaded | \$1.19 | \$14.94 | 82,794 | 10,795 | - |
| V | 09/27/2005 6:01 AM | SOUTHWEST | 6 | 2 | 15.800 Unleaded | \$1.19 | \$18.80 | 14,480 | -68,314 | - |
| V | 09/29/2005 3:36 PM | SOUTHWEST | 6 | 2 | 17.000 Unleaded | \$1.19 | \$20.31 | 15,516 | 1,036 | - |
| Vehicle Totals: | | | | | Quantity 559.100 | Price \$3,500.51 | Mileage | MPG | | |

Vehicle #154104 fueled multiple times on the same day with different types of fuel.

* = Manual Entry Transaction, "M" = Master Card Transaction, "S" = Side Card Transaction, "B" = Bypass Transaction, "V" = VIT Transaction
 09/29/2005 09:30:00

Exhibit I – VIT Vehicle Fueling Transactions (continued)

Transactions by Vehicle w/ MPG and Employee

from 10/01/2004 through 09/30/2005

Vehicle ID: 102243

| Date/Time | Site | Term ID | Pump | Volume | Unit Cost | Cost | Odometer Reading | Miles Since | MPG Employee |
|---------------------|------------|---------|----------|-----------------|-----------|----------|------------------|-------------|--------------|
| 09/03/2005 9:13 AM | JACK SCHEE | 9 | 5 | 6.100 Unleaded | \$1.74 | \$10.64 | 71,202 | 539 | - |
| 09/12/2005 4:00 AM | SOUTH | 9 | 1 | 8.200 Unleaded | \$1.74 | \$14.25 | 73,300 | - | - |
| 09/17/2005 4:00 AM | JACK SCHEE | 9 | 5 | 15.000 Unleaded | \$1.74 | \$26.17 | 72,300 | 760 | - |
| 09/14/2005 4:45 AM | SOUTH | 9 | 1 | 15.200 Unleaded | \$1.00 | \$15.20 | 75,229 | 2,929 | - |
| 09/16/2005 5:22 AM | SOUTH | 9 | 1 | 15.000 Unleaded | \$3.47 | \$52.05 | 75,319 | 1,590 | - |
| 09/19/2005 4:00 AM | JACK SCHEE | 9 | 5 | 9.900 Unleaded | \$3.47 | \$34.38 | 77,364 | 1,945 | - |
| 09/29/2005 11:53 AM | JACK SCHEE | 9 | 5 | 18.000 Unleaded | \$1.19 | \$21.51 | 79,710 | 1,855 | - |
| Vehicle Totals | | | Quantity | 321.100 | Price | \$496.73 | Mileage | MPG | |

Vehicle #102243 fueled at the same time of the day at two different locations.

MPG = Miles Per Gallon, Transaction, TM = Master Card Transaction, ST = Site Card Transaction, ST = Expense Transaction, TV = VMI Transaction


Exhibit I – VIT Vehicle Fueling Transactions (continued)

Appendix I – Management’s Responses

MEMORANDUM

OSP:66
November 29, 2006
OSP (305) 995-1225

TO: Mr. Allen M. Vann, Chief Auditor
Office of Management and Compliance Audits

FROM: Ofelia San Pedro, Deputy Superintendent 
Business Operations

**SUBJECT: ADMINISTRATIVE RESPONSE - AUDIT OF DISTRICT FLEET
UTILIZATION PRACTICES – JUNE 2006**

Attached is the administrative response to the Internal Audit Report – Audit of District Fleet Utilization Practices – June 2006.

We appreciate the work of the auditing department and look forward to working with them to implement the necessary changes.

If you have any questions, please contact me at extension #4581.

OSP:rv

Cc: Dr. Rudolph F. Crew
Mr. Trevor Williams
File

| Audit of District Fleet Utilization – Findings and Revised Recommendations and Response | | |
|---|--|---|
| Recommendation | Management Response | Responsible Administrator(s)/ Implementation Schedule |
| 1. IMPROVEMENTS NEEDED IN VEHICLE ASSIGNMENT AND UTILIZATION | | |
| 1.1 Develop a uniform District-wide vehicle assignment policy and monitoring mechanism to ensure that multiple vehicles are not assigned to a single employee, to terminated employees, or other inappropriate assignments. | Business Operations in collaboration with the pertinent departments is currently developing a District-wide vehicle assignment policy and procedures and will incorporate these into the Employee Guide to M-DCPS Assigned Vehicles Manual. This policy will include procedures for acquisition, assignment, authorized use, upkeep and maintenance, and accountability system to ensure that inappropriate use is dealt with. The Departments will be required to review their vehicle assignment list on a quarterly basis for completeness and accuracy to ensure vehicles are optimally assigned. Multiple vehicles currently listed as assigned to a single employee in the Office of School Facilities (Maintenance Operations) database will be changed to reflect their actual pool status and identify the administrator responsible for each vehicle. | Connie Pou January 2007 Chris Moran January 2007 |
| 1.2 Perform a comprehensive analysis of employees' work patterns and fleet needs to determine the proper level and composition of the fleet. | To some extent idle capacity is caused by the need for special function vehicles not used daily. For example, vehicles with cranes: dump trucks, and bucket/boom trucks. In addition, at Maintenance some vehicles are idle due to staff turnover and staff shortages. Nevertheless, the Office of School Facilities (Maintenance Operations) will conduct a comprehensive analysis of the employees' working patterns and prepare a District-wide written policy to better manage vehicle assignments. The fleet inventory will be evaluated to ensure that the required types and number of vehicles needed are available to meet the District's mission. Vehicles that are not needed, as determined based on the individual vehicle's monthly mileage and the amount of time that the vehicle is used will be eliminated from the fleet. | Chris Moran June 2007 Jerry Klein |

| Audit of District Fleet Utilization – Findings and Revised Recommendations and Response | | |
|---|---|--|
| Recommendation | Management Response | Responsible Administrator(s)/ Implementation Schedule |
| | <p>Maintenance Operations has requested fuel consumption reports from the Department of Transportation (DOT) to assist in assessing which vehicles are underutilized. In addition, Maintenance is already in the first phase of a comprehensive analysis. It is reviewing the inventory and each vehicle's function. In the future, replacement vehicles will be purchased that provide the same function but are smaller and will reduce the driver's license requirements thereby making it easier to recruit employees for grounds positions.</p> <p>An example would be the mower, truck and trailer package. Staff has completed an analysis and has rewritten the specifications for the three pieces of equipment that will: (1) be more fuel efficient; (2) be easier to drive through county streets; and (3) eliminate the need for the highest level of Commercial Driver License (CDL) license. This should enable the District to successfully recruit for these positions.</p> | Reports are already available upon request |
| 1.3 Consider establishing a vehicle pool for use by supervisors and administrators. | <p>Business Operations already has a very small pool of vehicles for the use of supervisors and administrators at the School Board Administration Building. In addition, a pool of vehicles has already been established for Maintenance Operations for the use of supervisors and administrators on an as needed basis. Pool vehicles will be noted on the database by location.</p> | <p>Ofelia San Pedro Implemented</p> <p>Chris Moran Implemented</p> |
| 1.4 Ensure that employee's personal use of District vehicle is reported to the Accounting Department and included as taxable fringe benefits to the | <p>In order to improve accountability over vehicles assigned to the Regional Centers, the Associate Superintendent developed a monitoring mechanism for assigned vehicles. Each Regional Center is assigned three vehicles, one for the Assistant Superintendent and two for Region Directors, which have already been reported to Accounting. The Office of the Controller already has procedures for tax reporting of take-home vehicles,</p> | <p>Freddie Woodson Implemented</p> <p>Chris Moran Implemented</p> |

| Audit of District Fleet Utilization – Findings and Revised Recommendations and Response | | |
|---|---|--|
| Recommendation | Management Response | Responsible Administrator(s)/ Implementation Schedule |
| employee. | and will use the above mentioned monitoring mechanism to ensure compliance. | Connie Pou Implemented |
| 2. IMPROVEMENTS NEEDED IN VEHICLE RECORDS AND IDENTIFICATION | | |
| 2.1 Developed procedures to reconcile vehicle information in the Property Control System to departments' vehicle property records. | The Department of Transportation (DOT) in collaboration with the Office of the Controller will ensure compliance with district-wide procedures, and that new fleet acquisition and/or transfer of property is properly documented and recorded in the Property Control System. In as much as DOT's new fleet management system interfaces with the Property Control System, the new procedures will include periodic reviews of reports which identify any changes in the fleet inventory. DOT will provide monthly reports to the Office of the Controller listing any discrepancies in vehicle location assignments. Additionally, shop managers will verify, as part of the preventive maintenance inspection that the vehicle belongs to the work location that brought the vehicle in for service. Individual departments that control vehicle assignments and transfers will be required to adhere to these procedures. | Jerry Klein Procedures in place for fleet acquisition. Within 30 days, a directive will be sent requiring all department heads to comply with procedures Connie Pou |
| 2.2 Affix proper identification markings to all appropriate vehicles and remove personalized markings and paraphernalia from vehicles. | DOT will develop a district-wide policy for assigning identification numbers to all District vehicles. DOT currently attaches identification and logos to its service vehicles. Also, department heads will be required to identify and instruct personnel to remove any personalized markings from the vehicles and in the future to abstain from placing bumper stickers and/or paraphernalia on District vehicles. At the time of servicing vehicles, DOT will also inspect vehicles for inadequate or inappropriate markings and remedy any deviant condition. | Jerry Klein March 2007 Chris Moran Implemented |
| 3. IMPROVE CONTROLS OVER SHELL GAS CARDS | | |
| 3.1 Develop procedures to ensure that active gas cards are in the custody | To improve controls, distribution and termination of use for gasoline cards to approved district employees has been reassigned to the Office of the Controller . New procedures | Connie Pou January 2007 |

| Audit of District Fleet Utilization – Findings and Revised Recommendations and Response | | |
|---|---|--|
| Recommendation | Management Response | Responsible Administrator(s)/ Implementation Schedule |
| of only authorized employees who are assigned District-owned vehicles, and that cards are obtained from terminated employees. The specific vehicle and employee should be linked to the card. | under development will require departments to collect the Shell gas card from an employee when he/she separates from the District or is no longer authorized to use the card and to promptly forward the card to the Office of the Controller . | |
| 3.2 Insure the timely deactivation of gas cards issued to former employees upon their termination from M-DCPS. | As part of the new procedures mentioned in response to 3.1, Procurement Management contacted the Shell Gas Company and requested immediate deactivation of gas cards issued to terminated employees or to those no longer authorized to use the cards. This function will also be transferred to the Office of the Controller by January 2007. | Joseph Gomez Implemented Connie Pou January 2007 |
| 3.3 Develop and assign consistent, homogeneous numbers to identify the gas cards and the assigned cardholder. | As indicated above, the Office of the Controller will assume responsibility for administering the gas cards. | Connie Pou January 2007 |
| 3.4 Review and reconcile properly authorized fuel purchase receipts to the Shell fuel invoice prior to payment. | In reference to the Driver's Education Cars issue, the Division of Life Skills and Special Projects has developed a procedure in the Utilities Management System for card holders and work location administrator to verify purchases and reconcile gas receipts with monthly invoices via the District e-mail system prior to approving invoices for payment. The card holder will: | Lilia Garcia January 2007 |

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| | <ul style="list-style-type: none"> ▪ Receive a copy of their monthly invoice detailing each transaction. ▪ Be required to reconcile gas receipts with the monthly invoice. ▪ Acknowledge the invoice accuracy prior to the payment due date. ▪ Be responsible for maintaining gas receipts and invoices at their work site for auditing purposes. <p>If an acknowledgement is not received by the payment due date, a reminder will be sent to the card holder and, if necessary, account credits will be requested from Shell.</p> <p>The school summaries for the month of August, 2005, reported missing has been obtained to support the charges from the Shell Corporation.</p> | |
| 3.5 Encourage vehicle fueling at the District's fueling sites, except when impractical or necessitated by extenuating circumstances. The Shell gas card should only serve as a secondary fueling source. | <p>Management considers this a good idea. However, similarly acknowledges the limitations noted. At times, it is impractical for some staff members to fuel at the District's fueling sites due to logistical limitations. The District's service vehicles, which account for the majority of the fleet, will continue to be fueled at the District's six fueling sites. Periodic reminders will be sent by the Office of the Controller to encourage use of the fuel site facilities.</p> | Connie Pou January 2007 |
| 4. MONITORING OF FUEL CONSUMPTION LIMITED BY DATA RELIABILITY | | |
| 4.1 Install the necessary equipment needed for | DOT will conduct a survey of the fleet to determine the number of vehicles not currently equipped with the Vehicle Information | Jerry Klein March 2007 |

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| the VIT System on all District-owned vehicles. | Transmitter (VIT) and perform a cost-benefit analysis to retrofit all the vehicle and equipment. In the event that our analysis finds such a retrofit to be beneficial and feasible, DOT will secure funding to install the transmitters. | |
| 4.2 Perform an analysis of the VIT system and eliminate the various shortcomings of the system which reduce its effectiveness as a management tool. | <p>DOT will continue to review the fuel exception reports and resolve any discrepancies, as well as use noted discrepancies to identify areas in the system that are in need of enhancements or modifications.</p> <p>Several of the exceptions noted in the report were caused by a technician who programmed a VIT to two different units. Also, when there is a break in the frequency between the VIT antenna and the radio frequency receiver mounted in the fuel pump dispensing nozzle, it is shown as two transactions being done within minutes apart. Some of the transactions that occur after the daily fuel report is collected must be rolled over to the following day and they show in the report as occurring at or about 4:00 a.m.</p> | Jerry Klein Implemented |
| 4.3 Require each department to review the VIT fuel consumption reports and investigate and resolve unusual consumption, exceptions or errors, in a timely manner. | <p>User departments will be required to review the VIT consumption reports and investigate noted unusual consumption and/or errors in a timely manner. DOT has been working for some time with other departments requesting assistance to correct, investigate and resolve pending issues with their vehicles. In many cases, DOT has restricted the access to fuel pumps to those departments that continue to have exceptions in their reports. Additionally, we are currently evaluating the possibility of integrating the fuel management system with the new fleet management (TRANSMAN) system. This software integration will provide staff with access to information needed to make sound decisions as they relate to repairs and maintenance of the</p> | Jerry Klein June 2007 |

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| Recommendation | Management Response | Responsible Administrator(s)/ Implementation Schedule |
| | District's fleet. | |
| 5. FLEET AGE IS NOT ALIGNED WITH VEHICLE REPLACEMENT INTERVALS | | |
| 5.1 Establish budgeted vehicle replacement fund to replace vehicles based on established replacement intervals and justified needs. | <p>Once we evaluate the fleet inventory and dispose of idle vehicles, we will prepare a 5-year plan detailing our future needs. We then will present it to management for consideration and for the establishment of a vehicle replacement fund in the District's budget. Our evaluation will also provide opportunity for us to evaluate our vehicle replacement intervals.</p> | <p>Jerry Klein For DOT, vehicle replacement schedule was prepared; Implementation will be contingent upon funding</p> <p>Chris Moran For Maintenance Operations, June 2007</p> |

The School Board of Miami-Dade County, Florida, adheres to a policy of nondiscrimination in employment and educational programs/activities and programs/activities receiving Federal financial assistance from the Department of Education, and strives affirmatively to provide equal opportunity for all as required by:

Title VI of the Civil Rights Act of 1964 - prohibits discrimination on the basis of race, color, religion, or national origin.

Title VII of the Civil Rights Act of 1964, as amended - prohibits discrimination in employment on the basis of race, color, religion, gender, or national origin.

Title IX of the Education Amendments of 1972 - prohibits discrimination on the basis of gender.

Age Discrimination in Employment Act of 1967 (ADEA), as amended - prohibits discrimination on the basis of age with respect to individuals who are at least 40.

The Equal Pay Act of 1963, as amended - prohibits sex discrimination in payment of wages to women and men performing substantially equal work in the same establishment.

Section 504 of the Rehabilitation Act of 1973 - prohibits discrimination against the disabled.

Americans with Disabilities Act of 1990 (ADA) - prohibits discrimination against individuals with disabilities in employment, public service, public accommodations and telecommunications.

The Family and Medical Leave Act of 1993 (FMLA) - requires covered employers to provide up to 12 weeks of unpaid, job-protected leave to "eligible" employees for certain family and medical reasons.

The Pregnancy Discrimination Act of 1978 - prohibits discrimination in employment on the basis of pregnancy, childbirth, or related medical conditions.

Florida Educational Equity Act (FEEA) - prohibits discrimination on the basis of race, gender, national origin, marital status, or handicap against a student or employee.

Florida Civil Rights Act of 1992 - secures for all individuals within the state freedom from discrimination because of race, color, religion, sex, national origin, age, handicap, or marital status.

School Board Rules 6Gx13- 4A-1.01, 6Gx13- 4A-1.32, and 6Gx13- 5D-1.10 - prohibit harassment and/or discrimination against a student or employee on the basis of gender, race, color, religion, ethnic or national origin, political beliefs, marital status, age, sexual orientation, social and family background, linguistic preference, pregnancy, or disability.

Veterans are provided re-employment rights in accordance with P.L. 93-508 (Federal Law) and Section 295.07 (Florida Statutes), which stipulate categorical preferences for employment.



Miami-Dade County Public Schools