



Prince William County, Virginia Review of Specific Allegations – Fleet Management Division

August 17, 2017



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TRANSMITTAL LETTER



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August 17, 2017

The Board Audit Committee of
Prince William County, Virginia
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Pursuant to the Internal Audit Plan for Fiscal Year ("FY") 2016-17 for Prince William County, Virginia ("County" / "PWC"), approved by the Board of County Supervisors ("BOCS"), we hereby present the review of specific allegations regarding the Fleet Management Division. We will be presenting this report to the Board Audit Committee of Prince William County at the next scheduled meeting on October 17, 2017.

Our report is organized into the following sections:

Executive Summary	This provides a high-level overview and summary of the observations noted in our review of the County's Fleet Management Division ("Fleet Division" or "Division").
Background	This provides an overview of the Fleet Management Division, as well as relevant background information.
Objectives and Approach	The objectives of this review are expanded upon in this section, as well as a review of our approach.
Observations Matrix	This section includes a description of the observations noted during our review and recommended actions, as well as Management's response including responsible party, and estimated completion date.

We would like to thank the staff and all those involved in assisting our firm with this review.

Respectfully Submitted,

RSM US LLP

Internal Auditors



EXECUTIVE SUMMARY

Objective

The primary objective of our review was to address specific allegations that were reported to the Waste/Fraud/Abuse Hotline on April 11, 2017, pertaining to the Fleet Management Division, upon approval by the Board Audit Committee on May 9, 2017. The allegations reported pertained to the following: 1) Compliance with disposal of chemicals; 2) Accuracy of training records; and 3) Compliance with the auto body repair quotation process requirements. Additionally, we reviewed the inter-department billings process.

Background

Fleet Management Division within the Department of Public Works is responsible for the repair, acquisition, disposal, fueling and maintenance of approximately 1,500 County vehicles and various equipment.

- *Chemical Disposal* – The Fleet Division is responsible for chemicals purchased and proper disposal after use to ensure regulatory compliance and to protect staff, the public and the environment.
- *Training Records* – Fleet Division employees receive a variety of training, and maintain several types of certifications, licenses, and/or registrations. Internal records are essential to ensure the County is following internal standards and requirements of regulatory agencies.
- *Auto Body Repairs* – The Fleet Division outsources all auto body repairs to four contractors under contract with PWC. Poorly managed vendors can lead to errors, delays, issues in contract compliance, or financial harm.
- *Inter-Department Billings (“IDT”)* – IDTs are used to adjust revenues and/or expenditures between two agencies. Inaccurate IDTs can lead to errors and/or misstatement in corresponding agency operational planning and budgets.

We have previously performed an audit of the Fleet Management Division in 2013, which was accepted by the BOCS on September 11, 2013. That audit resulted in six (6) audit issues, two (2) of which were rated high, and four (4) were rated low.

Overall Summary

We substantiated all initial allegations anonymously reported, which resulted in five (5) observations. The following sections containing information on the background, objective and approach, the observations identified are summarized in detail starting on page 10 of this report. We have assigned a risk value to each observation. Risk ratings are the evaluation of the severity of the concern and the potential impact on the County and/or on the Fleet Division. High risk rated items should be addressed immediately.

The scope of this review was narrow and focused on the specific allegations reported to the Waste/Fraud/Abuse Hotline. Based on the results of our interviews, testing and identification of high risk rated observations, we have concerns regarding the overall control environment of the Fleet Management Division. The control environment is the “tone at the top” of the division and provides the foundation for components of internal control, discipline, and structure.

Therefore, in addition to immediate management action regarding the identified observations, we recommend a full scope audit of the Fleet Management Division be planned and performed. This should be considered in the risk assessment and proposed audit plan for FY 2018.

Summary of Observation Ratings

(See page 9 for risk rating definitions)

	High	Moderate	Low
Fleet Management Division	3	2	-

Fieldwork was performed May 2017 through August 2017



EXECUTIVE SUMMARY – CONTINUED

Observations Summary

There were five (5) observations that were identified during this review. Below includes a listing of the observations that were identified. Detailed observations are included in the observations matrix section of the report.

Summary of Observations

Observations	Rating
1. Auto Body Procurement Process	High
2. Inter-Department Billings	High
3. Training Records	High
4. Disposal of Chemicals	Moderate
5. Policy & Procedures	Moderate



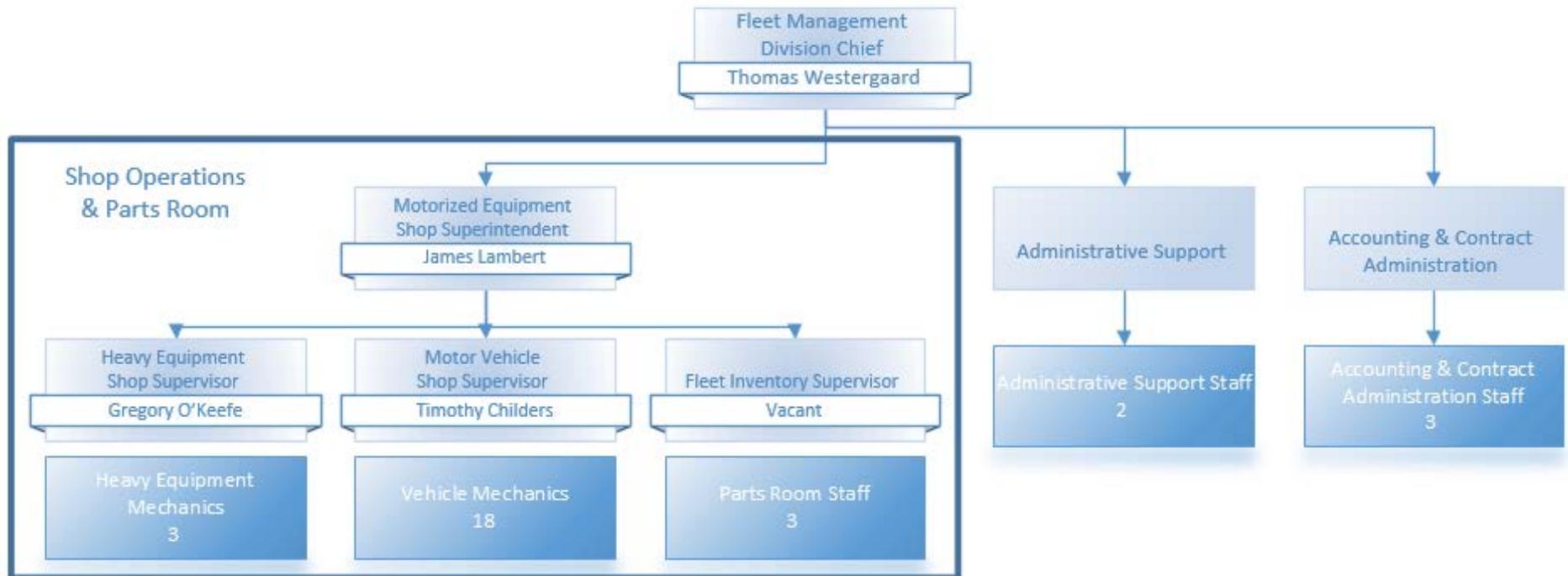
BACKGROUND

Overview

The Fleet Management Division within the Department of Public Works was created in 1975 and operates through an internal services fund. Partnering with internal County customers, the Fleet Division's responsibilities include the repair, acquisition, disposal, fueling and maintenance of approximately 1,500 county vehicles and pieces of equipment. This is accomplished with a staff of approximately 35 and an \$11.26 million dollar budget in FY 2018. We have previously performed an audit of the Fleet Management Division in 2013, which was accepted by the BOCS on September 11, 2013.

Key Figures & Figures (FY18)	
Budget (FY18)	\$ 11,256,917
Staff	35.15
# Vehicles under 10,000 lbs.	1,245
# Vehicles over 10,000 lbs.	233
<i>Total County Vehicles</i>	<i>1,478</i>

Organizational Chart





BACKGROUND – CONTINUED

Chemical Disposal

The Fleet Division is responsible for the proper purchase, documentation, storage, handling, inventory inspection, disposal and evaluation of all chemicals used within the Division. Products must be disposed of properly to ensure regulatory compliance and protect staff, the public, and the environment. The Division is expected to work with staff from the County's Risk Management Division ("Risk Management") within the Finance Department to facilitate proper disposal of products. Disposal should be performed by a third-party contracted vendor, at the Division's expense, to ensure adequate record keeping and proper disposal.

In line with PWC's commitment to minimize the effects of its operations on the environment, and in accordance with the Department of Public Works' Mission Statement:

The Prince William County Department of Public Works does the right thing for the community by creating and sustaining the best environment in which to live, work and play. We protect and improve our natural and historic resources, adopt and enforce codes and regulations, and build and maintain the infrastructure needed for employees to serve our community.

The Fleet Management Division has participated in Virginia's Department of Environmental Quality Environmental Excellence Program ("VEEP") since 2010. Additionally, the Fleet Division has participated in PWC's Environmental Management System ("EMS") Council. This commitment to the environment has earned the Division an Exemplary Environmental Enterprise certification, also known as an E3 certification. This certification is awarded to facilities with a fully implemented environmental management system and pollution prevention program through demonstrated performance.

In April 2017, the Fleet Division was placed on probation by the EMS Council based on the results of EMS's annual environmental audit. Currently, the Division is working with Risk Management to develop a plan to revamp their program, which would address the "red-flag" and high risk rated compliance issues identified by the EMS Council.

The risks associated with inappropriate chemical disposal could result in environmental damage, fines, penalties, and reputational loss.



BACKGROUND – CONTINUED

Training

Fleet Division employees receive a variety of training opportunities, and maintain several types of certifications, licenses, and/or registrations. Certain employees within the Division are required to be licensed, registered, or certified in accordance with the applicable County position classification. Highlighted below are the five (5) position classifications occupied by employees in the Fleet Management Division and their required registration, license, and/or certification, as defined by the Department of Public Works *Standard Operating Procedure 1.002.7*:

PWC position classification	Required registration, license, and/or certification
Automotive Mechanic I	Commercial Drivers License - Class C (minimum)
Automotive Mechanic II	(1) State Inspectors License; (2) Commercial Drivers License - Class C (3) Emissions Inspectors License
Heavy Equip. Shop Supervisor & Heavy Equip. Mechanic	(1) State Inspectors License (2) Commercial Drivers License - Class B (minimum) (3) Emissions Inspectors License
Motor Equip. Operator I, II, & III	(1) Commercial Drivers License - if applicable to work assignments (2) Meet County driver eligibility requirements
Motor Vehicle Shop Supervisor	(1) State Inspectors License (2) Commercial Drivers License - Class B (minimum) (3) Emissions Inspectors License

Training opportunities are regularly provided by Risk Management and through PWC University (“PWC-U”), the County’s on-line and classroom course offering, and cover a range of topics, for example: occupational health and safety; and environmental awareness. Also, the Division will periodically bring an auto mechanic instructor on-site to provide training on specific vehicle makes and models to address recent changes or best practices. Finally, many of the fleet mechanics hold additional technical certifications, for example Automotive Service Excellence (“ASE”) or Emergency Vehicle Technician (“EVT”) certifications. These additional technical certifications are reimbursed by the Fleet Division.

Internal records are essential to ensuring any organization is following its internal standards and regulatory agency requirements. Failure to properly track and monitor training records, licenses, registrations, and/or certifications could lead to training needs not being met as related to significant job activities or not meeting minimum regulatory requirements.



BACKGROUND – CONTINUED

Auto Body Repair Process

The Fleet Division does not perform auto body repairs, restoration, or painting services, related to collision or non-collision damage to County vehicles. Currently, PWC has four (4) vendors under contract to provide these services. Each damaged vehicle is considered a separate job or work order. When a vehicle requires auto body work the Division notifies all contractors under contract to bid to provide service. This allows the vendors to perform an inspection of the vehicle and submit a cost estimate. Once all cost estimates are received and reviewed by Fleet Management, the Division notifies the selected vendor and delivers the vehicle to the vendor's facility. Upon completion of the scope of work by the vendor, the vehicle is inspected by the Division prior to acceptance.

The outsourcing of a service can be appropriate when managed appropriately. However, the Division cannot outsource the responsibility. Poorly managed vendors and contractors can lead to errors, delays, issues in contract compliance or financial harm. Also, given this decentralized model of procurement there is increased risk associated with collusion and potential fraud.

Inter-Department Billings

Inter-department billings ("IDT") are used to adjust revenues and/or expenditures between two agencies/departments. Fleet Management uses IDTs for two primary purposes:

1. Monthly, the Fleet Division prepares and remits an IDT to bill the agencies/departments who receive service from the Division fleet related work completed during the month.
2. As needed, the Fleet Division also prepares and remits an IDT to recover funds from an agency/department that receives auto-body work. Auto body related work increases the expenditures of Risk Management in the Prince William County Self-Insurance Fund ("PWSIG").

The Fleet Division is responsible for the preparation and review of the IDT. The IDT is then submitted to the Accounting Division for processing and posting. Inaccurate IDTs can lead to errors and/or misstatements in the corresponding agency expenditures and budget balances.



OBJECTIVES AND APPROACH

Objectives

This report is prepared in response to concerns that were reported to the Waste/Fraud/Abuse Hotline, which is monitored by the County's internal auditors. RSM conducted an independent internal investigation/review based on the information provided by others and all correspondence is maintained utilizing the protocol outlined for monitoring of the Waste/Fraud/Abuse Hotline. An investigation is essential in determining the validity of a complaint. On April 11, 2017, we received specific allegations regarding the Fleet Management Division of the Department of Public Works. The objective of this review focused on addressing the following allegations: 1) Compliance with requirements/regulations related to disposal of used chemicals; 2) Accuracy of training records; and 3) Compliance with the auto body repair quotation process requirements. Additionally, we agreed to review the process for the inter-department billings.

Approach

Our audit approach consisted of the following three (3) phases:

Understanding and Collecting Relevant Data and Information

The first phase of this review consisted primarily of inquiry and interviews, in an effort to obtain preliminary data and, understand the identified processes and related controls. This phase is essential in determining the validity of the allegations. The following procedures were completed as part of this phase:

- Collaborated with the County Executive, Director of Finance, and Director of Public Works to discuss the allegations, the scope and objectives of the review work, and to obtain preliminary data;
- Conducted interviews with key personnel to obtain a detailed understanding of the identified processes; and
- Performed walk throughs of the identified processes to gain an understanding of the function and assess the design of internal controls.

Detailed Analysis and Testing

The purpose of this phase was to conduct analysis and testing, on a sample basis, to meet our review objectives outlined above.



OBJECTIVES AND APPROACH – CONTINUED

Approach – continued

Reporting

At the conclusion of our review, we summarized our findings and observations into a written report. We have reviewed the results with the appropriate persons in Management, and have incorporated Management's response into report.

Provided below is the observation risk rating definitions for the detailed observations starting on the following page.

Observation Risk Rating Definitions	
Rating	Explanation
Low	Observation presents a low risk (i.e., impact on financial statements, internal control environment, brand, or business operations) to the organization for the topic reviewed and/or is of low importance to business success/achievement of goals.
Moderate	Observation presents a moderate risk (i.e., impact on financial statements, internal control environment, brand, or business operations) to the organization for the topic reviewed and/or is of moderate importance to business success/achievement of goals. Action should be in the near term.
High	Observation presents a high risk (i.e., impact on financial statements, internal control environment, brand, or business operations) to the organization for the topic reviewed and/or is of high importance to business success/achievement of goals. Action should be taken immediately.



OBSERVATIONS MATRIX

Observation	1. Auto Body Repairs Procurement Process
High	<p>Through our testing we noted that the procurement of vendors for the auto body quote process did not align with County contract requirements. We found the following issues:</p> <ol style="list-style-type: none"> 1. The job winning contractor was not providing a “vehicle absolute inspection” and a “final cost estimate” after receiving the damaged vehicle as required by the contract. This could lead to additional billings by the vendor that may not have been appropriate, or allow the opportunity for the vendor to provide an initial low estimate in order to win the work and later send supplemental bills to PWC. 2. Instances where the winning contractor did not complete the services within the projected repair time agreed upon in their estimate. There is not a defined standard operating procedure for Fleet Division staff to monitor vendor performance and timing. This monitoring process would help the Division identify instances of unsatisfactory performance and receive cars in a timely manner. 3. There were instances identified where the Division did not receive receipts for parts exceeding \$100 in value, as required by contract terms. Receipts are required to ascertain that parts were actually purchased/utilized and reflect contract pricing and discounts. 4. The Division did not receive adequate explanations, as contractually required, on estimated labor hours that were modified from the automatic entries generated from the estimating software for repairs using the “remove/install” and “replace” operations title. <p>Adequate vendor management procedures would help ascertain contract compliance and reduce delays in work.</p>
Recommendation	<p>The Fleet Management Division should implement a vendor management process that will monitor contract compliance and vendor performance. The Division should notify the Purchasing Division when vendors do not perform satisfactorily so that remedial action can be taken. To address the potential risk of collusion or fraud the Fleet Division should consider including the Purchasing Division as part of the auto body repair procurement process. Including the Purchasing Division will create a stronger control to mitigate the potential risks of fraud and collusion.</p>
Management’s Action Plan	<p>Response: Concur: Public Works concurs with RSM’s findings concerning the auto body procurement process. Also, Public Works concurs that an adequate vendor management procedure would help ensure contract compliance.</p> <p>However, Public Works believes that Fleet Management is currently meeting the intent of the contract with regards to a “Vehicle Absolute Inspection” and “Final Cost Estimate.” Currently once a vehicle is vended out, the vendor is responsible for completing a “Vehicle Absolute Inspection.” Fleet Management’s current practice does not require the vendor to submit evidence of a completed “Vehicle Absolute Inspection” when no additional work is identified during this inspection. If no additional work is identified, the vendor’s final estimate given at the time the work was awarded to the vendor is used as their “Final Cost Estimate.” If the vendor does identify additional damage during the “Vehicle Absolute Inspection,” Fleet Management requires the vendor to submit a “Final Cost Estimate.”</p>



OBSERVATIONS MATRIX - CONTINUED

Observation	1. Auto Body Repairs Procurement Process - continued
Management's Action Plan	<p>Response – continued: The “Final Cost Estimate” is compared to the estimates that were received from all of the vendors. If the new additional work was not included on the other vendors’ estimates, Fleet Management approves the increase in cost. If the new additional work was included on the other vendors’ estimates and the vendor was afforded the opportunity to take this into consideration when submitting their estimate, then Fleet Management denies the extra cost and the vendor has to make the repairs at their own expense. Another control that is place to ensure that estimates provided by the vendors are reasonable is Fleet Management’s use of a third party accident appraiser. When Fleet Management estimates the damages to a vehicle will exceed \$2,000, a third party accident appraiser is hired by Fleet to estimate the needed repairs. Furthermore, if a vehicle is vended out to be repaired and the additional work identified during a “Vehicle Absolute Inspection” increases the overall repair price to greater than \$2,000, the appraiser will complete an accident repair estimate for the vehicle. Fleet Management will award the additional work in these circumstances if the overall estimate from the vendor is less than or equal to the third party accident appraiser’s estimate.</p> <p>In response to #4 of this Observation, currently Fleet Management does not require explanations for changes made to the labor hours in the estimating software estimates provided by the vendors. Every repair is competitively bid and the lowest responsive bid wins. During the initial estimate process it is immaterial to Fleet Management if the vendor changes the hours in the estimating software because if their estimate is too high the vendor will not receive the work. However, Fleet Management agrees this requirement should be implemented when Fleet receives a vendor’s “Final Cost Estimate” that identifies additional damage that was not included in the vendor’s original winning bid. In the future, Fleet Management will require the vendor to provide written explanations for changes made to the estimating software for additional repairs identified in a “Final Cost Estimate.”</p> <p>Responsible Party: Department of Public Works Fleet Management Division</p> <p>Estimated Completion Date: September 2018: Fleet Management will request an additional Motor Vehicle Shop Supervisor in the FY 2019 budget to manage the auto body repair contract. This new position will be tasked with managing the auto body process and ensure the vendors are compliant with the contract terms. In addition, Public Works, Risk Management and Purchasing will collaborate to develop a new purchasing mechanism to contract the auto body repairs. The goal is to develop a scope of services that adequately addresses the cost, craftsmanship and timeliness of the repairs.</p> <p>Under the terms of the existing contract, Fleet Management will do the following:</p> <ul style="list-style-type: none"> - Fleet Management will work to hold contractors to the turnaround periods that the vendors list within their estimates. - Fleet Management will ensure that it does receive receipts for parts exceeding \$100 in value



OBSERVATIONS MATRIX – CONTINUED

Observation	2. Inter-Department Billing (“IDT”)
High	<p>We found that Fleet Division Management personnel did not have an adequate level of understanding of the process, required steps, and accounting impact of the IDT process. This lack of understanding could lead to errors. Subsequent to our fieldwork, the Division self-identified an error in the body shop IDT process noting the process was not operating correctly. This error has led to a proposed re-class entry of approximately \$100,000. This error was attributable to incorrect coding in the account code string.</p> <p>Although we did find an extensive review process of IDTs, we noted that key controls within the review are not operating effectively. An adequate review process is important to ensure revenue and expenditures are accurately increased and/or decreased between the two agencies/departments, the account code string is accurate, and the books and records of the County are not misstated.</p>
Recommendation	<p>In order to more clearly define the key control points for the review process of the IDTs, we recommend the implementation of a checklist/cover sheet that would be attached to the each IDT. This cover sheet would include each key control point to be performed.</p>
Management’s Action Plan	<p>Response: Concur: Public Works concurs that Fleet Management administrative staff do not have an adequate understanding of the IDT process. The auto body repair IDT process changed substantially with the introduction of Ascend. Fleet Management staff learned the process enough to process the IDTs, but did not attain a comprehensive understanding of the purposes of the different steps involved.</p> <p>Responsible Party: Department of Public Works Fleet Management Division</p> <p>Estimated Completion Date: September 2018: Fleet Management will work with the Finance Department Risk Management Division and the Financial Reporting & Control Division as well as the Office of Management & Budget to review the auto body IDT process. Also, Fleet Management will work with the departments/agencies to develop a document that clarifies the process. This document will be placed in Fleet Management’s standard operating procedures (SOP) and affected employees will be trained on the process. Furthermore, part of the process of developing the SOP will be the creation of checklist that can be included in the IDT generation and review process.</p>



OBSERVATIONS MATRIX – CONTINUED

Observation	3. Training Records
<p style="text-align: center; background-color: red; color: white; padding: 5px;">High</p>	<p>Although we observed an example where the review of Commercial Driver's License ("CDL") and State Emission Inspector's Licenses was performed, we were not able to observe evidence that this review was performed annually, as required by Department of Public Work Standard Operating Procedures 1.002.7. This was due to insufficient documentation showing evidence of review. Additionally, there is not an adequate process in place to record and monitor all training provided to Fleet Division employees. We found that trainings provided by Risk Management were recorded in PWC-U. However, we noted instances where Fleet Division employees receive job specific training or additional certifications (i.e. car repair updates and best practices; emergency vehicle lighting certificates; and ASE certification, etc.) that was not consistently maintained and organized.</p> <p>Inadequate records of attendance and completion of training programs related to employees and their employment history could lead to non-compliance of labor laws. Additionally, without proper monitoring the Division cannot ensure that all employees are qualified for the duties they perform and could lead to quality issues related to the work for which the employees are responsible.</p>
<p>Recommendation</p>	<p>The Division should update and standardize their process to properly record and retain all documentation related to training, certifications, and licenses. This includes defining proper documentation and retention requirements. It is our understanding that this process cannot be centralized within PWC-U, nor does the County have a Human Capital Management System with the capability of tracking employee training and skill-based attributes. The maintenance and management of training, license, and certifications documentation is currently de-centralized and should be managed independently by the agencies/department.</p>
<p>Management's Action Plan</p>	<p>Response: Concur: Public Works concurs that Fleet Management does not have a formal process to track the training provided to Fleet Management employees outside of PWC University. The Motorized Equipment Shop Supervisor does maintain a spreadsheet that tracks the Commercial Drivers Licenses ("CDLs"), and Emissions and Inspection licenses of the mechanics but, there is not a formal procedure in place defining this process.</p> <p>Responsible Party: Department of Public Works Fleet Management Division</p> <p>Estimated Completion Date: December 2018: Fleet Management is in the very early stages of implementing a new fleet management information system. A component of this new system is the ability to track employee training and certifications. Once the new system is online and the training component is active Fleet Management will develop an SOP that defines the process for tracking completed training, CDLs and certifications.</p>



OBSERVATIONS MATRIX – CONTINUED

Observation	4. Disposal of Chemicals
Moderate	<p>Although we did not personally observe any instances of inappropriate disposal of chemicals, we did become aware of one (1) instance where the Fleet Division did not properly dispose of chemicals. Through our walk through of processes, interviews, and meetings we corroborated the initial allegation.</p> <p>Prior to the 2017 Environmental Audit performed by Risk Management Division, the Fleet Division Chief identified specific products that were no longer allowed to be used in the shop. These chemicals/products were collected and the Division Chief granted permission to the Fleet Division employees to take these chemicals/products home. This violates PWC's Department of Public Works SOP 1.004.10 on proper disposal and puts the County at potential compliance risk regarding regulated waste. During our site visit, the Division Chief confirmed that he granted the above cited permission.</p> <p>While households create ordinary garbage, the County creates waste that is regulated by the Environmental Protection Agency ("EPA"). The County's chemicals are regulated from "cradle to grave," or from purchase through disposal. Therefore, the County is liable for any and all issues that may arise from the chemicals provided to employees. Further, this instance was not adequately recorded to meet record keeping requirements. Adequate disposal records are required to meet state regulated waste regulations.</p> <p>Subsequent to our fieldwork, it is our understanding that Risk Management has performed further research of this incident and determined that there are no additional reporting requirements for the County or significant environmental hazards posed.</p>
Recommendation	<p>Fleet Management should work with Risk Management to ascertain that this circumstance is adequately documented and confirm that this instance does not need to be reported to the State. The documentation could be used to address the lack of disposal records kept for these chemicals and provide the County with resolution to this matter. Fleet Management needs to ensure the Division is in compliance with the County's record keeping requirements and associated regulatory requirements for all types of waste.</p>



OBSERVATIONS MATRIX – CONTINUED

Observation	4. Disposal of Chemicals - continued
Management's Action Plan	<p>Response: Concur: Public Works concurs with RSM's finding that Fleet Management needs to ensure compliance with the County's chemical inventory requirements. Public Works has consulted with the Finance Department Risk Management Division concerning the need to report this incident to the state. It is Risk Management's opinion, after consulting with a third-party environmental consultant AEGIS Environmental, that this incident does not constitute an illegal act and therefore does not need to be reported to the state. It is Fleet Management's intent to adhere to all applicable chemical inventory and disposal requirements and this incident is believed to be isolated in nature.</p> <p>Responsible Party: Department of Public Works Fleet Management Division</p> <p>Estimated Completion Date: Ongoing: Public Works has implemented Public Works <i>SOP 1.004.10 Managing and Disposal of Chemicals</i>. Fleet Management has reinvigorated its Environmental Management System (EMS) program. Fleet Management's goal in 2017 is to be removed from E3 probation status by the County's Risk Management Division. Since June 2017, Fleet Management's EMS program includes aggressive goals, inspections and training. Fleet Management has implemented the following since June 2017:</p> <ul style="list-style-type: none">• An ultrasound cleaner was purchased to clean carburetors and other parts instead of harsh chemicals• A mobile parts washer was provided by Cintas for evaluation, also potentially eliminating harsh chemicals and reducing the need for staff to handle chemicals (it is serviced by Cintas)• A clean and orderly heavy equipment shop and main shop• Wall posters that show progress and status on environmental efforts• Installed an aerosol can puncture system <p>Fleet Management anticipates being back to full E3 status in the spring of 2018</p>



OBSERVATIONS MATRIX – CONTINUED

Observation	5. Policy & Procedures
Moderate	We found that the auto body repair quotation process and related IDT process was not adequately documented to clearly define the necessary steps to provide a consistent understanding for Fleet Division staff. Inadequately documented policies and procedures could lead to errors and internal control gaps.
Recommendation	The Division should compose adequate policy and procedure documents that describe, in detail, the required process steps. These policies and procedures should be included in the Department of Public Works' Standard Operating Procedures and should be reviewed by the Fleet Division and Department of Public Works Management annually, at a minimum.
Management's Action Plan	<p>Response: Public Works concurs that a detailed SOP needs to be developed that defines the auto body IDT process for Fleet Management.</p> <p>Responsible Party: Department of Public Works Fleet Management Division</p> <p>Estimated Completion Date: September 2018: Fleet Management will work with the Finance Department Risk Management Division and Financial Reporting & Control Division as well as the Office of Management & Budget to review the auto body IDT process. Also, Fleet Management will work with the departments/agencies to develop a SOP that clarifies the process. This SOP will be reviewed every four years as part of the Public Works accreditation process.</p>



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