

DIVISION OF INSPECTOR GENERAL
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Clerk of the Circuit Court and Comptroller
Pinellas County, Florida



AUDIT OF FLEET MANAGEMENT BILLING PROCESS

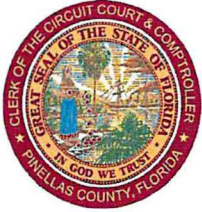
**PINELLAS COUNTY
FLEET MANAGEMENT
9685 ULMERTON ROAD**



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**REPORT NO. 2023-07
APRIL 25, 2023**



Ken Burke, CPA

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April 25, 2023

Joseph Lauro, Administrative Services Department Director

We have conducted an audit of the Fleet Management Billing Process at the request of the County Administrator.

Opportunities for Improvement are presented in this report.

We appreciate the cooperation shown by the staff of the Fleet Management Division during the course of this review.

Respectfully Submitted,

Melissa Dondero

Melissa Dondero
Inspector General/Chief Audit Executive

Approved:

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Clerk of the Circuit Court and Comptroller
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cc: The Honorable Chairman and Members of the Board of County Commissioners
Barry Burton, County Administrator
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INTRODUCTION

Executive Summary

At the request of the County Administrator, we conducted an Audit of the Fleet Management Billing Process. The Pinellas County (County) Fleet Management Division (Fleet) is one of six Department of Administrative Services (DAS) operations.

The objectives of our audit were to:

1. Evaluate the effectiveness and efficiency of the billing processes for maintenance and repairs
2. Evaluate the effectiveness and efficiency of the billing processes for fuel
3. Determine if applications adequately supported the billing processes for maintenance and repairs
4. Determine if applications adequately supported the billing processes for fuel

Observation of the monthly billing preparation indicated processes were cumbersome due to the lack of functionality within Fleet's billing application, M4. Inefficient billing processes included manual adjustments for department cost splits prepared in an Excel workbook. The methodology used by Fleet to bill maintenance and repair costs was inefficient. The invoicing process was time-consuming, as it required monthly entries into the Accounts Receivable module in the Oracle Project Unified Solution (OPUS) application for external departments and the preparation of a monthly journal voucher (JV) for all Board of County Commissioner departments.

Fuel billing was time-consuming due to manual fuel markup deductions for applicable constitutional offices being prepared in an Excel workbook. Fleet staff prepared the monthly fuel invoices and JV simultaneously with maintenance and repairs. A billing cycle for maintenance, repairs, and fuel is typically a two-week process completed by one employee. Fleet staff members were very knowledgeable. However, we noted written policies and procedures were not updated to reflect current processes for billing preparation, fuel-related responsibilities, and fleet accounting functions. Vehicles and equipment input into M4, Cityworks, and OPUS by Fleet staff did not have a formal reconciliation process to ensure the asset data synchronized between applications.

M4 is a fleet-specific billing system; however, M4 is no longer supported by the vendor and has been superseded by a more sophisticated application, AssetWorks M5. M4 lacked the functionality to perform department cost splits and deduct fuel markup for constitutional offices that were not required to pay a markup. Management was required to use Cityworks from November 2021 through March 2022. However, due to numerous issues and lack of functionality to meet Fleet's requirements, management reverted to M4 and regenerated the billing for the months generated in Cityworks.

The County's contracted parts provider, National Automotive Parts Association (NAPA), used the Integrated Business Solutions (IBS) auto part management application, which did not integrate with Cityworks and M4. NAPA staff input parts information into the IBS and M4 applications, a duplicated effort. Benchmarking results indicated two of three local government Fleet departments had fleet-specific software that integrated with NAPA's IBS application.

Benchmarking other local government Fleet departments resulted in a fleet-specific billing application being essential for an effective and efficient fleet operation. Our review of the Novak consultation of Fleet operations and practices, as well as alternate solutions proposed by the Office of Management and Budget and Business Technology Services, also indicated an upgraded fleet-specific billing system would provide Fleet the ability to enhance its operations.

FuelFocus, Fleet's fuel application, effectively and efficiently provided fuel data. Benchmarking confirmed other local government Fleet departments using a fuel application integrated with a fleet-specific billing application.

Within the opportunities for improvement and recommendations presented in this report, we provided additional detail on the limitations of the existing billing application and considerations for a replacement application. Moreover, we provided alternatives to Fleet's existing billing model.

Background

The Fleet Management Division (Fleet) is a division of the Department of Administrative Services (DAS). The DAS centralizes services for the following operations to one internal department for the efficient delivery of those services to all departments under the Pinellas County (County) Board of County Commissioners (BCC) and all constitutional offices:

- Purchasing
- Risk
- Real property
- Design and construction
- Facility
- Fleet

Fleet provides professional in-house and contracted services for light-duty, heavy-duty, and off-road vehicles and equipment. Fleet's preventive maintenance program is the cornerstone of Fleet's operations. Fleet maintains the highest standards of service and parts with a heightened focus on minimizing downtime. Fleet has a diversified technician skill set to manage a highly varied demand. Fleet's achievements include the following:

- Awarded the Blue Seal of Excellence Certification
- 100% of Fleet technicians are Automotive Service Excellence (ASE) certified in the automotive and heavy truck disciplines

For internal customers, Fleet manages all aspects of the process, including acquisitions, maintenance and repair, and disposition of all County rolling stock, including emergency generators and fuel sites. Fleet provides maintenance at two separate locations in the County. Customers include:

- All departments under the BCC
- Clerk of the Circuit Court and Comptroller (Clerk's Office)
- Construction Licensing Board
- Metropolitan Planning Board
- Property Appraiser's Office
- Public Defender
- Sheriff's Office
- State Attorney's Office
- Tax Collector

Fleet provides support for the following areas:

- Management of fueling facilities
- Fuel tank management services
- Fuel and lubricant spill response

Fleet performs routine, preventive, and corrective repair maintenance services for County vehicles and equipment. In addition to repair and maintenance services, Fleet also provides the following services:

- Auto body and paint
- Generator servicing and repair
- Metal fabrication
- Parts and inventory support

Fleet maintains a pool of vehicles and equipment for short-term use. In addition, Fleet provides a vehicle procurement and replacement program for various County departments.

Budget

For fiscal year (FY) 2023, excluding reserves, the Fleet budget increased by \$7.7 million, or 46.0% over the FY 2022 budget request. Planned Vehicle Replacement Plan (VRP) purchases combined with higher pricing due to the current supply chain issues increased the VRP budget by \$6.4 million, or 116.4%, from FY 2022. Fleet’s efforts to reduce other operating expenses helped offset rising fuel expenses for a total net increase of \$801,940, or 14.7%, to fuel management expenditures.

The table below summarizes the Fleet Management Fund. The Fleet Management Fund includes the following:

- Fleet asset management expenditures for the acquisition, use, maintenance, repair, and disposal of County-owned vehicles, heavy equipment, and stationary engines for FYs 2020 through 2023
- Fleet fuel management expenditures, which provide fuel and maintain fuel sites throughout the County and ensure regulatory compliance for FYs 2020 through 2023

Fleet Management Fund				
Fleet Asset and Fuel Management Funds	FY 2020 Actual	FY 2021 Actual	FY 2022 Budget	FY 2023 Budget
Personal Services	\$ 2,319,306	\$ 2,433,909	\$ 2,607,440	\$ 2,852,680
Operating Expenses	7,501,911	8,092,915	9,212,170	10,148,960
Capital Outlay	2,332,373	2,380,218	4,960,330	11,497,680
Total Expenditures	\$12,153,590	\$12,907,042	\$16,779,940	\$24,499,320

Among the expenditures in the Fleet Management Fund, the table below summarizes the VRP expenditures for FYs 2020 through 2023:

Fleet Management Fund				
VRP	FY 2020 Actual	FY 2021 Actual	FY 2022 Budget	FY 2023 Budget
Personal Services	\$ 236,964	\$ 211,117	\$ 232,680	\$ 224,900
Operating Expenses	121,347	250,350	371,310	238,090
Capital Outlay	2,198,138	2,304,415	4,900,000	11,446,200
Total Expenditures	\$2,556,449	\$2,765,882	\$5,503,990	\$11,909,190

The below summarizes Fleet's fuel management expenditures for FYs 2020 through 2023:

Fleet Management Fund				
Fleet Fuel Management	FY 2020 Actual	FY 2021 Actual	FY 2022 Budget	FY 2023 Budget
Personal Services	\$ 341,806	\$ 266,503	\$ 335,880	\$ 314,210
Operating Expenses	4,011,189	4,330,587	5,114,680	5,930,040
Capital Outlay	19,790	2,204	1,750	10,000
Total Expenditures	\$4,372,785	\$4,599,294	\$5,452,310	\$6,254,250

The table below summarizes the reserves program, which oversees the management and allocation of the County's financial reserves for FYs 2020 through 2023:

Reserves Program				
Fleet Management Fund	FY 2020 Actual	FY 2021 Actual	FY 2022 Budget	FY 2023 Budget
Total Expenditures	\$ 0	\$ 0	\$ 18,999,320	\$ 16,823,490

The table below summarizes the Fleet Management Fund “Detail Resource Estimate by Fund” for FYs 2020 through 2023:

Detail Resource Estimate by Fund				
Fleet Management Fund	FY 2020 Actual	FY 2021 Actual	FY 2022 Budget	FY 2023 Budget
Charges for Services	\$ 15,217,530	\$ 14,753,165	\$ 16,286,120	\$ 16,899,410
Interest Earnings	424,526	23,645	241,920	8,820
Rents, Surplus, and Refunds	346,737	849,986	190,950	190,950
Other Miscellaneous Revenues	261,847	237,262	311,740	243,100
Non-Operating Revenue Sources	717	0	0	0
Fund Balance Account	15,199,395	16,527,990	21,843,140	23,980,530
Total Resources	\$31,450,752	\$32,392,048	\$38,873,870	\$41,322,810

SCOPE AND METHODOLOGY

The audit covered a review and evaluation of Fleet's billing processes used for the following:

- Maintenance and repairs
- Fuel

The audit period was January 1, 2022, through February 28, 2023. However, we did not limit the review of transactions and processes by the audit period and scope.

To meet the objectives, we performed the following:

1. Interviewed management and staff to gain an understanding of the billing processes used for maintenance and repairs
2. Interviewed management and staff to gain an understanding of the billing process used for fuel
3. Reviewed policies and procedures and other documentation applicable to the billing processes
4. Observed the billing processes used for maintenance and repairs
5. Observed the billing processes used for fuel
6. Examined the functionality of applications that supported billing processes for maintenance and repairs
7. Examined the functionality of applications that supported billing processes for fuel
8. Benchmarked other local government Fleet departments to inquire about applications used for maintenance and repair billing
9. Benchmarked other local government Fleet departments to inquire about applications used for fuel billing
10. Analyzed costs incurred for the billing processes

OBJECTIVES AND OUTCOMES

The objectives of the audit were to:

1. Evaluate the effectiveness and efficiency of billing processes for maintenance and repairs
2. Evaluate the effectiveness and efficiency of billing processes for fuel
3. Determine if applications adequately supported the billing processes for maintenance and repairs
4. Determine if applications adequately supported the billing processes for fuel

As a result of the audit, we determined:

1. Billing preparation for maintenance and repairs was unnecessarily time-consuming. The billing processes required staff to manually perform adjustments and corrections in Excel for data in the M4 fleet billing system (M4). The monthly invoicing process was cumbersome and required manual entry in the Oracle Project Unified Solution (OPUS), the County's financial system. We noted some internal controls could be improved. Specifically, written policies and procedures were not updated to reflect the current processes used for billing preparation and fleet accounting. In addition, there was no formal reconciliation process for assets (vehicles and equipment) entered into M4, Cityworks, and OPUS to ensure synchronized application asset data. Manual input in OPUS for invoicing and journal vouching for department costs is inefficient. Fleet should evaluate other options to allocate expenditures for maintenance and repairs.
2. Fuel billing processes were inefficient due to requiring manual adjustments for fuel markup deductions. The monthly invoicing process for fuel and journal vouching was time-consuming, requiring manual entry in OPUS. Fleet should evaluate other options to allocate expenditures for fuel. We also noted that written policies and procedures were outdated and incomplete for fuel-related responsibilities.
3. M4 lacked the functionality to bill efficiently for maintenance and repair costs. M4 was not programmed to perform department cost splits for applicable agencies. Moreover, M4 did not integrate with the National Automotive Parts Association (NAPA) auto part management application and OPUS. Our review of Fleet's consultation of operations and practices, an Office of Management and Budget (OMB) analysis, a Business Technology Services (BTS) proposal, and benchmarking results indicated that an upgraded fleet-specific billing system was essential for a Fleet department to operate effectively and efficiently.
4. The fuel application, FuelFocus, was adequate for tracking fuel costs and consumption. FuelFocus was efficient, as it uploaded real-time fuel data daily to M4. However, manual adjustments were necessary due to the lack of functionality in M4. Benchmarking results indicated another local government used FuelFocus. The remaining benchmarking results noted the other local governments surveyed used different fuel applications that integrated with a fleet-specific billing system.

Our audit was conducted in accordance with the *International Standards for the Professional Practice of Internal Auditing* and the *Principles and Standards for Offices of Inspector General* and accordingly, included such tests of records and other auditing procedures, as we considered necessary in the circumstances.

OPPORTUNITIES FOR IMPROVEMENT

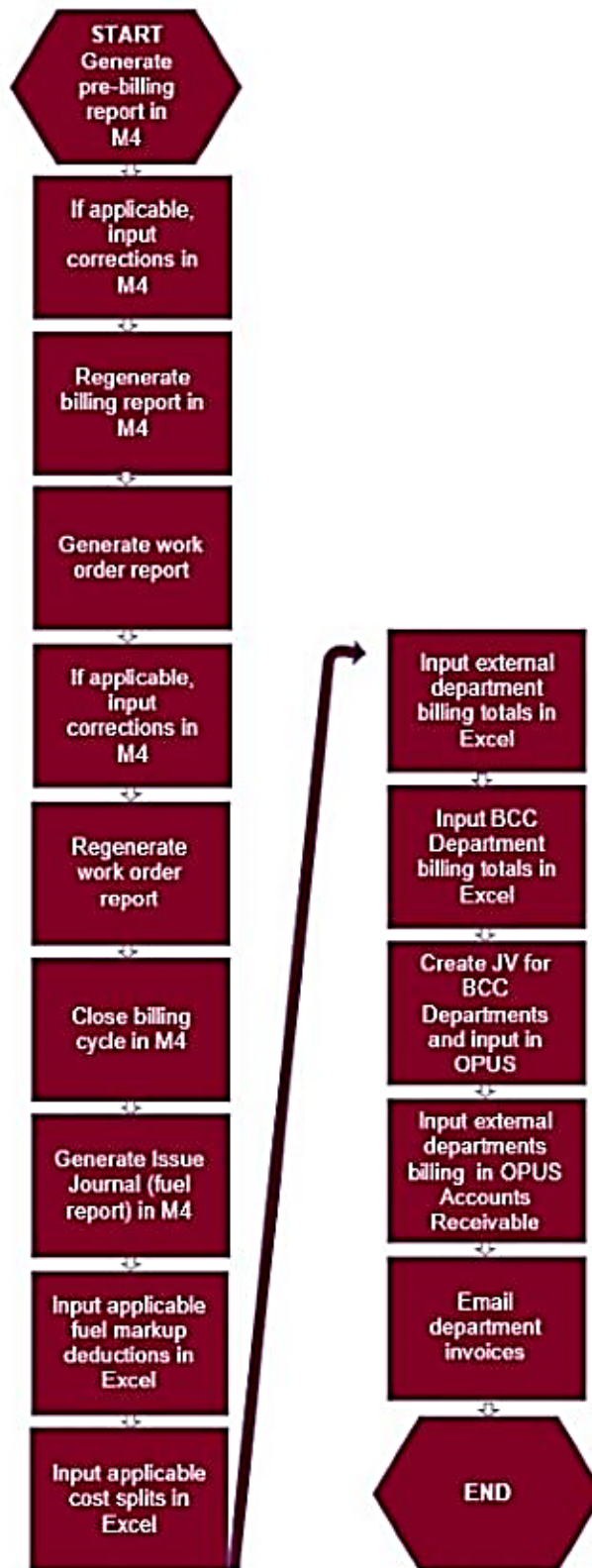
Our audit disclosed certain policies, procedures, and practices that could be improved. Our audit was neither designed nor intended to be a detailed study of every relevant system, procedure, or transaction. Accordingly, the Opportunities for Improvement presented in this report may not be all-inclusive of areas where improvement may be needed.

1. Fleet's Billing Process Was Inefficient.

Our review and observation of Fleet's billing cycle indicated processes were burdensome for Fleet staff. As of the date of our audit, Fleet utilized M4 to bill departments for fuel, maintenance, and repairs. M4 provided information on fuel, parts, labor, and other services conducted by Fleet. The M4 product suite included the FuelFocus integrated fuel management software. Fleet used FuelFocus to record the fuel consumption by agency fleet vehicles at the designated County fuel stations. The fuel consumption data was uploaded daily into M4 to bill departments for fuel. M4 collected the maintenance and repair work order and fuel data in real-time to be billed monthly by Fleet staff.

During the audit, we observed Fleet staff preparing the billing from M4. We noted that corrections to data, such as missing department names or incorrect location codes, were necessary and required the regeneration of reports. Our observation of the invoice preparation, the last portion of the billing process, indicated it was time-consuming. After completing the manual adjustments (e.g., fuel markup deductions and department cost splits), Fleet staff entered the monthly billing for each external agency (all agencies not under the BCC) into the Accounts Receivable module in OPUS, which produced an invoice for each external agency. Fleet staff prepared a journal voucher (JV) for the BCC departments and entered it into OPUS. Fleet staff emailed the monthly invoices to all applicable agencies.

The following flowchart illustrates the billing process performed each month:



Management informed us the billing process was cumbersome in the preliminary stages of the audit. Per our discussion with Fleet staff, completing a monthly billing cycle took approximately two weeks. M4 is a fleet-specific billing system; however, the lack of functionality required a portion of the billing to be completed by Fleet staff manually. For example, M4 was not programmed to deduct the fuel markup for the constitutional offices that were not required to pay a markup. The fuel markup was Fleet's fuel price to cover costs associated with providing fuel to specific agencies. Moreover, M4 could not allocate costs between funds, centers, and projects for a single department. Therefore, Fleet staff had to manually remove fuel markup and allocate costs.

M4 was no longer supported by the vendor, AssetWorks, and was superseded by M5, which included several functionality enhancements. Management was aware that a new application was required and was in the decision-making process for determining which billing application would be used. From November 2021 through March 2022, Fleet was required to use Cityworks, an infrastructure maintenance and permitting application, to perform its monthly billing. However, the Cityworks functionality was not consistent with a fleet industry-specific billing system that allowed for invoicing and closing a billing cycle. Therefore, several problems existed with the billing cycle. The lack of specific functionality prevented Fleet from billing timely for several months. Instead, the billing had to be regenerated in M4, causing a significant backlog.



The National Automotive Parts Association (NAPA), Fleet's contracted parts provider, was responsible for entering parts into County work orders. The County set up NAPA with access to M4 and Cityworks and trained NAPA staff. During the timeframe Fleet used Cityworks, NAPA staff was required to enter parts into its Integrated Business Solutions (IBS) application and again in

Cityworks, a duplicated effort. Cityworks did not have an integration with the NAPA software. NAPA staff relayed concerns to Fleet management that entering parts information in Cityworks was tedious and more time-consuming than M4. Due to Fleet discontinuing Cityworks, NAPA began reentering parts in IBS and M4, also a duplicated effort due to the outdated functionality of M4. A fleet billing system integrated with NAPA is essential for Fleet to streamline its parts inventory.

During the audit, we reviewed and discussed with management the proposed "Integrated Solution Proposal" plan submitted by BTS to Fleet. The proposal suggested that business changes and technology would enhance Fleet's billing process by implementing a flat billing rate for specific labor and maintenance versus real-time direct billing while custom building the Cityworks application versus utilizing a fleet-specific billing system.

We obtained feedback from management regarding the proposed technology footprint. As with any implementation, management had concerns that a significant amount of time and resources would be needed to integrate applications. Moreover, several additional enhancements would be necessary and potentially ongoing for Cityworks to function as a fleet billing application. In addition to the BTS proposal, the OMB conducted a "Fleet O&M Customer Billing Process Improvement Project." The OMB report issued to Fleet recommended a process that would

streamline the manual steps and organize the data via a macro or script “to parse the billing, fuel, and fixed asset reports into separate sheets for each department.” However, the recommendations were not implemented at the time of our audit.

In October 2020, Novak Consulting Group issued a Fleet Management Assessment Report for its comprehensive review of Fleet’s operations and practices, which stated the following:

“Recommendation 7: Update the Division’s fleet management software system.

The project team met with the County’s Information Technology (IT) Department to clarify how well the Cityworks application would be able to address these important system features. Based on that review, a fleet module would be custom-built for the County. As such, it was difficult to truly assess the utility of individual features of the software against the Division’s needs. This is concerning because a custom-built software module represents more work on the front-end by Fleet Management and IT, with more opportunity for error. The software also does not have VRP capabilities and, as a result, that would have to continue as a manual process. This represents a lost opportunity for the Division but also customer departments who, under a more industry-specific piece of software, would have better access to reporting tools that would support more cost-conscious decision-making around vehicle utilization and replacement planning. These shortcomings could have a significant operational impact if not resolved.

Local governments often move to expand the reach of Enterprise Resource Planning (ERP) systems beyond corporate functions, such as finance or human resources, into operations modules such as work order systems or scheduling systems. This approach can offer the advantage of limiting the number of applications that are managed by IT personnel, which creates efficiency from an IT staffing perspective. However, it can also translate to declines in effectiveness and efficiency at the department operating level.”

During the audit, we discussed management’s application requirements for the department to function efficiently and effectively. Listed below is a summary of management’s requirements:

- Asset management to capture the total cost of ownership, which is a key performance measure for the fleet industry
- Parts inventory management and tracking for warranty replacements and returns
- Maintenance and labor tracking that must capture all staff hours maintaining the assets (live time entries specific to the task)
- Monitoring of all costs related to the assets in customer accounts, which includes the ability to close a billing cycle
- Administration and reporting at the fund, cost center, program, and project level
- Fuel management that integrates with a fleet billing application
- Customizable on-demand reporting with industry-standard fleet analytics
- Comprehensive automated VRP

**Opportunities For Improvement
Audit of Fleet Management Billing Process**

A cost-benefit relationship should exist for determining Fleet’s billing application decision. The Novak Consultation, OMB, and BTS proposals dedicated time and resources to analyze Fleet’s billing process. To obtain an understanding of industry practices, during the audit, we performed benchmarking by surveying the following Fleet departments with comparable fleet sizes to the County:

- Hillsborough County
- City of St. Petersburg
- Pasco County

The survey entailed soliciting information for the following:

- Fleet size
- Fleet management software used
- Fuel system used
- Financial system used
- Parts provider and application used, if any

The table below summarizes the information obtained from the survey, including County Fleet:

Criteria	Pinellas County	Hillsborough County	St. Petersburg	Pasco County
Fleet Size	2,130*	3,400*	4,000*	2,000*
Fleet Management System	AssetWorks M4	AssetWorks M5	AssetWorks M5	AssetWorks Fleet Administration (FA)
Fuel System	AssetWorks FuelFocus	Fuel Master/ Veeder Root	Gasboy EKOS (M5)	AssetWorks FuelFocus
Financial System	Oracle	Oracle	Oracle	Tyler Munis
Parts Provider	NAPA IBS	NAPA IBS	AssetWorks M5 (in-house parts)	NAPA IBS
Asset Management System	Cityworks	AssetWorks M5	Work and Asset Management (WAM)	AssetWorks FA

*Estimate based on date of survey

In conjunction with the information obtained in the preceding table, we requested feedback from each Fleet department regarding the efficiency and effectiveness of its application as it relates to the County's fleet-specific requirements. The overall conclusion of the survey answers was that industry-specific software was necessary to operate efficiently and effectively. All survey responses indicated that industry-specific software would significantly automate the processes involved with fleet billing and integrate with existing financial software.

In addition to implementing an upgraded fleet billing system, a cost allocation for maintenance and repairs versus monthly invoicing would streamline the billing process. Moreover, adding a fuel cost allocation would significantly reduce administration time. For instance, the FY 2024 department cost allocation would be based on FY 2022 actuals potentially an entire FY of expenditures. The County currently uses cost allocations for technology, risk management, fleet vehicle replacement, and other administrative expenditures.

The Novak Consulting Group's report stated the following regarding the Government Finance Officers Association (GFOA) best practices:

“According to GFOA’s best practices guidelines, there are many advantages to a direct billing approach. The first and perhaps most important is that it can help govern a demand for service. By charging the direct cost associated with owning a vehicle, departments can utilize billing data to make informed decisions about vehicle purchases and replacements. In addition, charging customer departments for a service can create a system of accountability where customers can advocate for the value they receive. An accurate direct billing approach can also facilitate comparisons with alternative methods of service delivery, including outside providers. Direct billing also allows for improved customer service because it requires transparency and illustrates the actual costs of services rendered.”



The direct billing approach would remain; however, the costs would be allocated to future budgets, which would impact the budget process proactively. Management would know the costs incurred when preparing the new FY budgets rather than incurring unexpected costs impacting the current budget. Implementing a cost allocation would eliminate the need to prepare monthly invoices and JVs in OPUS. Instead, the cost allocation would be a budgeted line item for the new FY. Work orders in the fleet billing system and fuel data in FuelFocus would still capture actual costs, which Fleet would use to compute future cost allocations.

Moreover, the time spent preparing the billing would significantly decrease with an upgraded fleet billing system and cost allocation. Fleet could potentially upload reports to a central location such as SharePoint to allow departments to monitor costs incurred. Although implementing a cost allocation is not a complete cost avoidance, minimal effort would be involved at Fleet to perform the allocation.

Another consideration for Fleet is an application that provides capital renewal and condition assessment for vehicles and equipment. Fleet maintains its VRP in a complex Excel workbook monitored by dedicated staff. A Fleet application providing a VRP could provide management with additional tools to make effective operational decisions.

Fleet's M4 application was outdated and did not provide the functionality to bill departments efficiently. Moreover, the methodology used to recoup maintenance, repairs, and fuel costs was inefficient. An inefficient billing process contributes to errors, untimely invoicing, and unnecessary administrative costs.

An efficient billing system provides the following benefits:

- Reduces administration costs
- Minimizes errors
- Integrates systems
- Creates transparency
- Simplifies reporting

We Recommend Management:

- A. Select, request required funding, purchase, and implement a fleet-specific billing application that will:
 - Eliminate manual billing steps
 - Improve reporting functionality and analytics
 - Integrate with the fuel application
 - Integrate with NAPA's IBS
 - Include a comprehensive VRP
- B. Collaborate with OMB to implement a departmental cost allocation to recoup the following:
 - Maintenance and repair expenditures
 - Fuel expenditures

Management Response:

- A. **Management Concurs.** With the approval of a new billing methodology expected in FY 2024 and the software upgrade going before the BCC in April, all recommendations will be addressed.
- B. **Management Concurs.** The new billing methodology mentioned above will result in full cost recovery for Fleet Management.

2. The Asset Reconciliation Process Was Inadequate.

The process of reconciling the fleet vehicle and equipment asset inventory was inadequate. To record new assets, Fleet entered the assigned unit number, also known as the asset tag number, along with other pertinent vehicle information in the M4 and Cityworks applications. The Finance Division provided asset tags in prenumbered bundles to Fleet. Fleet added a prefix to the asset tag number to stipulate the type of vehicle.

As of the date of our audit, M4 was Fleet's billing system, and Cityworks was the County's infrastructure maintenance and permitting application. The screenshot below is an example of the information input into M4 for asset tag #121723. Fleet added the prefix "LT" to denote the vehicle was a light truck:

The screenshot shows a software window titled "Change Unit Information" with a menu bar (File, Edit, Commands, Help) and a toolbar. The main area contains a form with the following fields and values:

Unit No	LT121723	Status	Active
Description	121723 - 15' F350 CREWCAB W/SERV BDY	Operator ID	
2015 FORD F350		Shift Code	
Tech Spec	15-141FRDCC8D	Replacement %	0
TRUCK, 1 TON CREWCAB SERVICE BDY 4X2		Primary Meter	47058 Mile F
Category Code	LT	Primary Meter Date	1-MAR-2023
MCC	LT12	Prim Meter LTD Usage	46902
Parking Location		Second Meter	2888 Hour W
Maintenance Loc	CG	Sec Meter Date	3-NOV-2022
Fueling Location		Sec Meter LTD Usage	2888
Delivery Location		Acquisition Meter 1	156
Activity Code		Acquisition Meter 2	0
Billing Code	REPL L 23-Dec-2014	Acquisition Date	23-DEC-2014
Title Number	117733415	Arrival Date	23-DEC-2014
State/Prov License	FL TE0422	In-service Meter	158
License Exp Date		In-service 2nd Meter	0
Serial Number	1FT8W3AT9FEB32553	In-service Date	12-MAR-2015
Owner Department	0001 23-Dec-2014	Operational Class	
Using Department	251020-P 23-Dec-2014		

At the bottom, there is a section for "SPO#415357 LINE 3" with a date of "12/23/14" and a "notes about this unit" field.

The screenshot below displays the same asset tag number in Cityworks:

Asset Viewer		
Attributes	Work History	Relationships
OBJECTID		3325
Facility ID		LT121723
Legacy ID		LT121723
Asset Name		121723 - Ford F350
Location Description		LT121723 - Horticulture Ops

After entering the new assets in the M4 and Cityworks applications, Fleet submitted a “Fixed Asset Addition Form” to the Finance Division, where an asset number independent of the asset tag number was system generated in OPUS, the County’s official financial reporting system. The Finance Division staff input the assigned asset tag number in OPUS, without the prefix, in the “Tag Number” field. The screenshot below displays the vehicle information in OPUS:

EBS (OPUS)		Asset Inquiry	
Asset Inquiry >			
Asset: 63627			
Description	TRUCK	Tag Number	121723
Serial Number	1FT8W3AT9FEB32553	Asset Type	CAPITALIZED
Units	1	Parent	
Parent Description		Manufacturer	FORD
Model	F350	Property Type	Personal
Property Class	1245	Ownership	Owned
Bought	NEW	In Use	Yes
Category	Equipment.RS - Trucks, Light	Asset Key	No...
	<small>Major Category.Minor Category</small>		<small>Restricted.Board Approval Date.Board Item #.Comments</small>
Attachments			

The fixed asset reconciliation process reviewed at the time of the audit was manual and entailed Fleet printing a report from M4 and providing a copy to each BCC department for reconciliation on an annual basis. However, Fleet did not require departments to perform the reconciliation. Each department was responsible for verifying the assets listed on the M4 report against those listed in Cityworks and OPUS. An automated process would ensure more accurate results by allowing one Fleet employee to complete and verify the assets versus an employee in each department.

Fleet and BTS did not collaborate with the Finance Division to streamline the fixed asset reconciliation process between software applications. Fleet did not enter the asset number assigned by OPUS, the official asset record number, in M4 and Cityworks. Inputting the OPUS asset number into all applications would provide a means to utilize data analytics to streamline the reconciliation process.

The manual reconciliation process did not ensure each department verified its assets, which could result in discrepancies between applications and unaccounted-for assets. Moreover, this could potentially impact the accuracy of financial reporting and the VRP. The process reviewed did not provide an effective and efficient asset reconciliation between the OPUS, Cityworks, and M4 applications for active, retired, and transferred assets. Without the asset number in M4 and Cityworks, the data did not synchronize with OPUS. Therefore, there are no means to utilize data analytics to automate the asset reconciliation process for active, retired, and transferred assets.



Reconciliation is an accounting process that compares two sets of records to check that figures are correct and in agreement. Reconciliation is vital in operations, supporting cash flow reporting, regulatory reporting, risk mitigation, fraud prevention, audit, and governance.

The Clerk's Finance Division is responsible for the following:

“Performing the pre-audit of all capital invoices, verifying asset information entered into the Oracle Fixed Assets system, reconciling the Fixed Assets subsidiary ledger to the General Ledger, overseeing the annual inventory performed by all departments, updating asset records, retiring assets, maintaining custodian records, issuing asset tags, preparing various quarterly and annual reports, and supplier management responsibilities. The Fixed Assets Department is instrumental in the preparation of all fixed asset data reported in the County’s Comprehensive Annual Financial Report (CAFR).”

Fleet is responsible for inputting all acquired assets in M4 and Cityworks. Although Fleet provided reports to each department to verify their fixed assets annually, the onus was on the departments to ensure the accuracy of asset records.

We Recommend Management:

- A. Collaborate with BTS to perform the following:
 - Develop additional fields for entering OPUS asset numbers in Cityworks and the M4 application or successor fleet billing application
 - Develop and generate asset inventory reports in Cityworks
 - Develop and generate asset inventory reports in the M4 application or successor fleet billing application
 - Merge data via reporting from OPUS, Cityworks, and the M4 or successor fleet billing application to reconcile assets
- B. Input OPUS asset numbers consistently in Cityworks and M4 or successor fleet billing application to facilitate automated reconciliation.
- C. Collaborate with the Finance Division to streamline the asset reconciliation process by implementing the following:
 - Policies and procedures requiring the annual reconciliation of assets entered in OPUS, Cityworks, and the M4 or successor fleet billing system
 - Process for follow-up of any discrepancies noted during the reconciliation

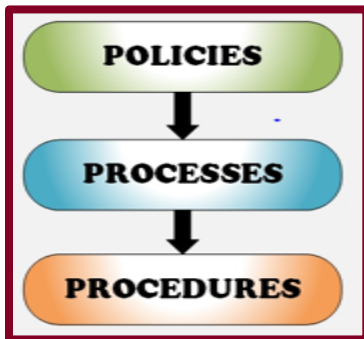
Management Response:

- A. **Management Concurs.** Discussions with BTS will be scheduled as soon as possible to rectify this.
- B. **Management Concurs.** Fleet Management has collaborated with the Finance Division, resulting in a solitary asset number that will be memorialized in OPUS, M4, and Cityworks.
- C. **Management Concurs.** Discussions with the Finance Division will be scheduled as soon as possible to rectify this.

3. Written Policies And Procedures Were Outdated And Incomplete.

During the audit, we noted written policies and procedures did not reflect the processes used for the following:

- Monthly billing for maintenance and repairs
- Monthly billing for fuel
- Fuel inventory
- Fleet accounting



Written procedures provide the guidance necessary to consistently and adequately carry out departmental activities at a required level of quality. Establishing procedures ensures that adequate processes and internal controls have been implemented by management. Procedures also support the cross-training and backup for essential staff functions. The procedures should be sufficient to provide standard performance criteria and reduce the risk of misunderstanding and unauthorized deviations that could cause processing errors.

The Committee of Sponsoring Organizations of the Treadway Commission (COSO) Internal Control – Integrated Framework provides 17 principles of effective control. The COSO control principles are organized into five integrated components, one of which relates to control activities.

Deloitte, a leading global provider of audit and assurance services, provides the following information related to control activities:

“Control activities are the actions established through policies and procedures that help ensure that management’s directives to mitigate risks to the achievement of objectives are carried out. Control activities are performed at all levels of the entity, at various stages within business processes, and over the technology environment.”

Deloitte further describes control activities and the importance of policies and procedures as follows:

“For the Control Activities component,

- 1. The organization selects and develops control activities that contribute to the mitigation of risks to the achievement of objectives to acceptable levels.*
- 2. The organization selects and develops general control activities over technology to support the achievement of objectives.*
- 3. The organization deploys control activities through policies and procedures that establish what is expected and procedures that put policies into action.”*

Management acknowledged policies and procedures should be updated. Due to insufficient time, management did not update written policies and procedures when the billing process changed. Without adequate written policies and procedures, deviations could occur that might cause mishandling of the billing, fuel inventory, and fleet accounting processes. Moreover, there is no written guidance to refer to by new employees or employees cross-training on responsibilities. Without adequate written policies and procedures, there is no guidance for employees cross-training on the required duties.

Listed below in further detail are the processes we noted that required written policies and procedures to be updated.

A. Written Policies And Procedures For Monthly Billing Preparation Were Outdated.

Over time, the billing process for fuel, maintenance, and repairs evolved. The employee who conducted the monthly billing had accumulated in-depth knowledge of the work processes. However, management did not document the work processes in sufficient detail. Fleet performed billing for departments under the BCC, Clerk's Office, and external agencies such as:

- Florida Department of Transportation
- Sheriff's Office
- Property Appraiser's Office
- St. Petersburg College Fire Training Center
- State Attorney's Office
- Supervisor of Elections
- Tax Collector
- Various fire rescue departments
- Various municipalities

The billing process in effect at the time of our audit entailed detailed steps that involved utilizing M4 and performing manual steps to complete the billing cycle. The manual portion of the billing cycle included adjustments, such as removing fuel markups for some departments and splitting costs between funds, centers, and projects for other departments. The fuel markup was Fleet's fuel price to cover the cost of providing fuel to other facilities. The billing processes included separate steps for creating invoices in OPUS and preparing a JV to record expenditures in OPUS.

Policies and procedures should document the billing responsibilities currently practiced. During the audit, the employee who performed the billing mentioned that no other employees were fully trained to complete the billing cycle and stated the billing cycle was cumbersome and took approximately two weeks each month to complete. Moreover, the employee processing the billing was close to retirement. Therefore, updated written policies and procedures are essential for guiding the new employee acquiring billing responsibilities.

Management was in the decision-making process for choosing another billing application to provide better functionality. Once management selects an application, policies and procedures should be updated to align with the new application's functionality and any other responsibilities for the billing cycle.

B. Policies And Procedures Were Outdated And Incomplete For Fuel-Related Responsibilities.

The fuel responsibilities are integrated with the billing process performed each month. Therefore, management should update and complete policies and procedures to ensure the operation of the billing cycle is efficient and effective. Moreover, the Accounting Coordinator (fleet accounting) provided backup for the Accountant I position (fuel-related responsibilities). Therefore, written policies and procedures are essential to guide backup staff on current processes.

Fuel-related responsibilities include the following:

- Ordering fuel to keep tanks full for the County's vehicle usage
- Tracking fuel and Oil Price Information Service prices for County rates and billing
- Analyzing fuel software/hardware problems
- Reporting to the state and Clerk's Finance Division for fuel usage, storage, prices, and ordering
- Tracking fuel usage, ordering, variances, the amount in tanks, and possible theft
- Assigning fuel keys
- Processing fuel invoices, payables, and receivables
- Balancing and reconciling databases and software

C. Policies And Procedures Were Outdated and Incomplete For Fleet Accounting Responsibilities.

The fleet accounting responsibilities were integrated with the billing process performed each month. Therefore, management should update and complete policies and procedures to ensure the process for the billing cycle is efficient and effective. Fleet accounting responsibilities that pertain to billing include the following:

- Budget
- VRP financials
- Management of Fleet's Standard Purchase Orders (SPOs)
- Requisitions
- Change orders
- Contract agreements
- Asset custodian
- Productivity reporting
- Administrative management fee calculation
- Budget Expenditure and Encumbrance Report
- Processing of new units
- Management of department accounts, centers, and inventory
- Backup for Accountant 1 (fuel position)

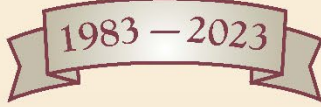
- M4 system administrator
- Vehicle and equipment sales
- Add new users
- Management of FYs
- Labor corrections
- Management of vehicle and job codes in M4
- Add new vehicles and equipment

We Recommend Management:

- A. Revise written policies and procedures governing the current billing preparation process. Policies and procedures should be updated promptly when the new fleet billing software is implemented and proactively as process steps change.
- B. Revise and complete written policies and procedures governing fuel-related responsibilities to align with the billing process. Policies and procedures should be updated promptly when the new fleet billing software is implemented and proactively as process steps change.
- C. Revise and complete written fleet accounting policies and procedures to align with the billing process. Policies and procedures should be updated promptly when the new fleet billing software is implemented and proactively as process steps change.

Management Response:

- A – C. **Management Concurs.** Preparations and staffing meetings are occurring now in advance of implementation of a new industry specific Fleet Management software application.



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