

**Post-Audit Review 15-06:
Bulk Fuel Trucks**

August 2016

City Auditor

Stan Sewell, CPA, CGFM, CFE

Internal Auditor

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OFFICE OF INTERNAL AUDIT

Stan Sewell, City Auditor

August 19, 2016

To: Mayor Andy Berke
City Council Members

Subject: Post-Audit Review of Bulk Fuel Trucks (Report #15-06)

Dear Mayor Berke and City Council Members:

Attached is a summary report on the status of audit recommendations in our 2015 Bulk Fuel Trucks report. The purpose of this report is to confirm whether, and to what degree, management has implemented the recommendations made in the original audit.

The original audit concluded:

1. Internal controls over the City's bulk fuel need improvement and data from bulk fuel transactions are not always accurate.
2. Implementing an automated fueling system would help ensure accuracy of transactions and fuel inventory.

The audit had six recommendations to improve efficiency and effectiveness of the bulk fuel process as well as address internal control deficiencies observed. At the time of this Post-Audit Review, five recommendations were partially implemented, and one was implemented. Recommendations partially implemented are herein reported to the Audit Committee for follow-up, as appropriate.

This Post-Audit Review consisted principally of inquiries of City personnel and examinations of various supporting documentation. It was substantially less in scope than an audit in accordance with generally accepted government auditing standards. The evidence obtained provided a reasonable basis for our conclusions; however, had an audit been performed, other matters might have come to our attention that would have been reported to you and our conclusions may have been modified.

Sincerely,

Stan Sewell, CPA, CGFM, CFE
City Auditor

Attachment

cc: Audit Committee Members
Stacy Richardson, Chief of Staff
Maura Sullivan, Chief Operating Officer
Cary Bohannon, Director of General Services

RECOMMENDATIONS PARTIALLY IMPLEMENTED (5)

Recommendation	Actions Taken
<p>1 We recommended Fleet Services develop written procedures for the process of adding and deleting vehicle numbers, and issuing keys in the RTA system. New procedures should be implemented to coordinate with Purchasing and Finance when a vehicle or piece of equipment needs to be removed from RTA.</p>	<p>Fleet has developed procedures that cover the area of vehicle acquisition and disposal. Additional procedures need to be developed that specifically address the process of adding and deleting keys in the RTA system.</p>
<p>2 We recommended Fleet develop a system to identify the type of equipment using a vehicle number.</p>	<p>Fleet is in the process of finalizing an alpha numeric vehicle/equipment identification system. The unique identifiers will incorporate the vehicle's VIN number and department or division. All new equipment has been coded with these new identifiers. Older equipment is in the process of being updated.</p>
<p>3 We recommended Fleet Services require the Fire Department remit their daily bulk fuel logs to the Fleet Services Inventory Coordinator.</p>	<p>Very recently, Fleet contacted the Fire Department about forwarding their daily bulk fuel logs. Once Fleet has all bulk fuel data, they will have a complete picture of bulk fuel usage and the ability to monitor bulk fuel inventory levels.</p>
<p>4 We recommended Fleet Services develop written policies and procedures for the bulk fuel process. We further recommended the written policy require all bulk fuel trucks, including Fire Department, follow the same procedures.</p>	<p>Fleet has developed and distributed bulk fuel procedures to their staff. However, the procedures are very basic and lack details of the entire process. The procedures do not provide specific guidance for the Fire bulk fuel trucks.</p>
<p>5 We recommended Fleet Services implement an automated system, such as radio frequency identification RFID, to monitor fuel usage and reporting.</p>	<p>Fleet has purchased the RFID equipment. Currently, the implementation process is waiting for IT resources to become available for further assistance.</p>

RECOMMENDATION FULLY IMPLEMENTED (1)

Recommendation	Actions Taken
6 We recommended Fleet Services reconcile fuel purchases recorded in the RTA system to the fuel invoices to ensure accuracy and completeness.	Fleet has been reconciling the fuel purchases with the RTA data to ensure the information is complete and accurate.

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