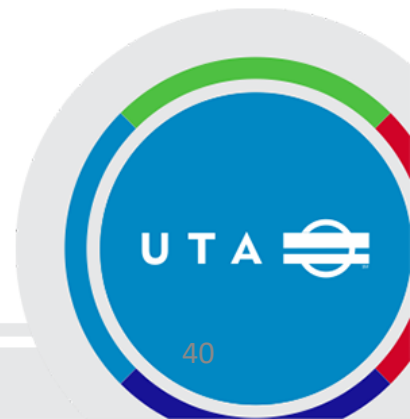# Support Fleet Preliminary Performance Audit Report

Engagement #22-06

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Support Fleet Performance Audit - Scope

Period of review was focused on activity between April 23, 2021 – April 22, 2022. Periods before and after were reviewed, as necessary.

Audit Scope
Governance
Support Fleet Size
Appropriate Fleet Use
Physical safeguarding of vehicles

Support Fleet – what we found

- The Service Development department lacks the resources and formalized authority to effectively manage the support fleet.

- Management does not have internal policies and SOPs to govern its processes.

- There is a lack of consistent training procedures for users of support vehicles.

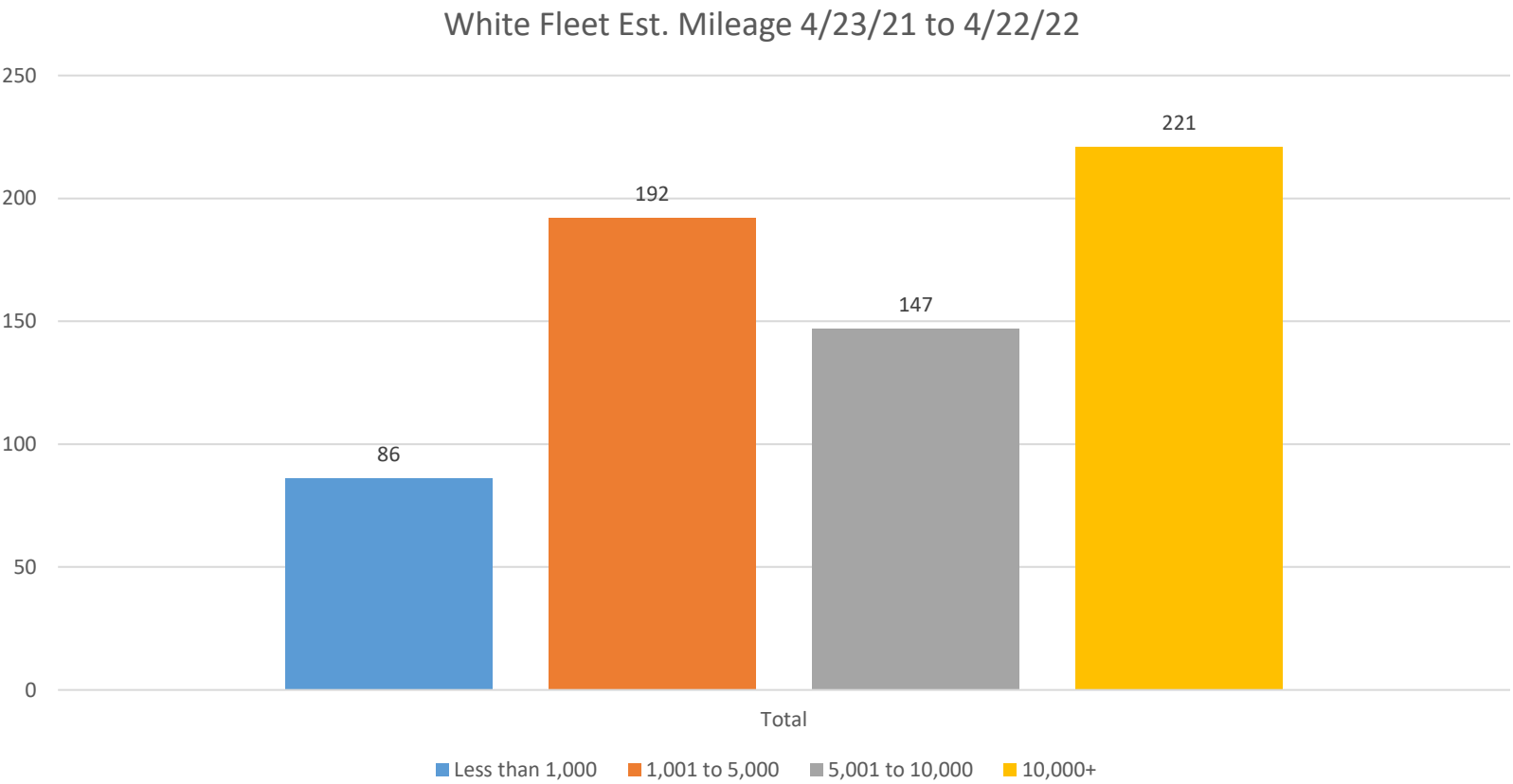- Physical security measures are inadequate to prevent fraud and abuse.

Support Fleet – why it matters

Effects of underdeveloped governance and under-resourcing:

- There are inconsistencies in how vehicles are managed and treated by different departments.

- Maintenance records are not adequately retained or tracked.

- Periodic maintenance could be delayed or not performed at all.

- Vehicle metrics are not adequately measured for performance management.
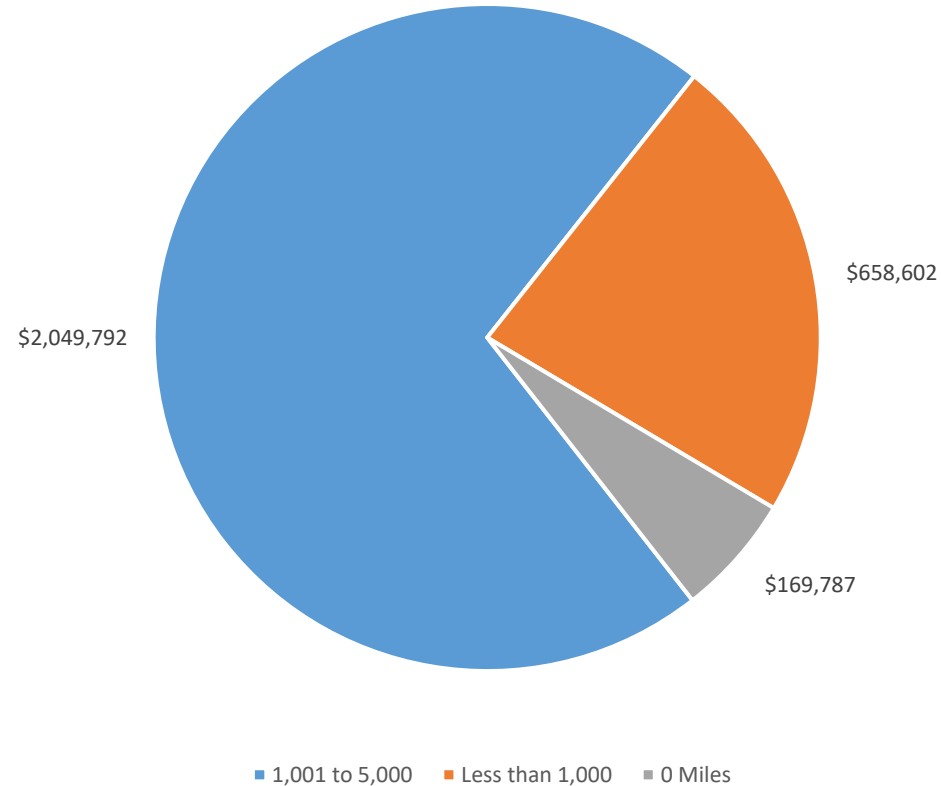
- Key security practices are not mandated.

Support Fleet – vehicle use statistics

White Fleet Est. Mileage 4/23/21 to 4/22/22

Total

■ Less than 1,000   ■ 1,001 to 5,000   ■ 5,001 to 10,000   ■ 10,000+

Support Fleet – current value of low use vehicles

Residual Value Fair Condition by Mileage Driven

$2,049,792

$658,602

$169,787

■ 1,001 to 5,000   ■ Less than 1,000   ■ 0 Miles

Source:
Online vehicle valuation sites, primarily Kelley Blue Book

Assumptions:
- Base model
- Standard features
- White paint
- Fair condition

Support Fleet – control issue example

Internal Audit relocated a car for one week* without detection by responsible parties.
This was possible because:
a) The checkout system could be bypassed
b) Keys were not kept secured
c) The vehicle was not used enough to be noticed missing

*Audit informed the UTA Police department before doing this test. This security footage was taken 4/5/2022.

Support Fleet – recommendations

Internal Audit's recommendations for governance and resources:

- Provide Service Development with two additional FTE to meet support fleet needs.

- Implement policies to invest Service Development with necessary authority to manage the support fleet.

- Draft policies and procedures over key areas of responsibility.

- Develop training procedures for employees who use support fleet vehicles.

Support Fleet – recommendations

Internal Audit's recommendations improving fleet size and utilization:

- Track vehicle mileage for underutilization.

- Overhaul vehicle purchasing strategy to better align needs with existing resources.

- Request business need justification for existing vehicles, particularly low use vehicles.

- Streamline the disposal and auction process.

- Investigate ways to more effectively manage the budget strategy for support fleet vehicle purchases.

- Review the use of check-out pool vehicles to determine if any could be repurposed or disposed.

Support Fleet – recommendations

Internal Audit's recommendations improving physical security of vehicles:

- Develop or purchase new check-out software and add additional controls to the checkout process.

- Ensure proper approvals for vehicle use are documented prior to an employee taking custody of a vehicle.

- Keep vehicle keys in a secure area that can only be authorized by employees approved to use a vehicle.