

Detailed Follow Up Report - Auditor Determined Status

| Rec# | Recommendation | Auditor FollowUp | City Auditor's Status | Closed |
|------|---|---|-----------------------|-------------------------------------|
| 1912 | Fleet Parts Operation | Issued: | 4/26/2019 | |
| 1A | The Fleet Management Director should ensure the Equipment Parts Supervisor reviews all inventory discrepancies before adjustments are made and Parts staff retain all inventory count records. In addition, require Parts staff to properly dispose of obsolete parts and re-evaluate which parts need to be tracked in inventory considering their unit value. | Sept 2019: Management reported this is in progress. Auditors will review related documentation for a future update. Sept 2020: Management reported that all inventory adjustments are now verified by a Parts coworker, then by the Parts Supervisor or the senior staff in-charge if he is not available. An employee has been recently been assigned to review obsolete parts and return any that the vendors will accept or surplus them for auction through the City warehouse. This project is expected to take about 6 months to complete. Jan 2021: The department reported its removal of obsolete parts is about 75% complete. They are continuing to work with vendors to return as much product as possible for full or reduced value. Further, low dollar value item reduction is about 95% complete, having converted about 600 part numbers to shop supplies so far. May 2021: Auditors reviewed the department's new reports used to monitor parts inventory and scheduled work to bring stock closer to a just-in-time basis and minimize slow moving and obsolete items. | Implemented | <input checked="" type="checkbox"/> |
| 1B | The Fleet Management Director should install electronic keypads on the three Parts room doors and install security cameras in each storage room. Further, limit Parts room access to the Parts staff and necessary management. | Sept 2019: Management reported Facilities has been contacted and a vendor cost proposal received for card reader installation. The next step is identifying funding. September 2020: Management reported that card readers have been installed; auditors confirmed the card reader at the North Corp Yard Parts room. As well, Fire department items have been removed from the Parts room storage and they no longer have access to the area. | Implemented | <input checked="" type="checkbox"/> |
| 1C | The Fleet Management Director should improve FASTER system access by removing unnecessary system administrator accounts and tracking user access changes. Further, FASTER system access should be regularly reviewed to ensure former employees are deactivated and access is based on the least privilege principle. | Sept 2019: Auditors reviewed system documentation of user access changes that included removing the system admin account and adjusting how former employee access is removed. | Implemented | <input checked="" type="checkbox"/> |

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| 2A | The Fleet Management Director should re-evaluate the current performance measure considering the context of inventory carrying costs. Specifically, work with departments to categorize vehicles as either essential or non-essential and determine backup availability to establish service turnaround requirements. | Sept 2019: Management reported that the performance measure of a one-day turnaround has been removed, and they are, instead, working to achieve an average turnaround of less than 5 days. Auditors will evaluate the impact on the parts inventory in conjunction with following up on other related recommendations. | Implemented | <input checked="" type="checkbox"/> |
| 2B | The Fleet Management Director should re-evaluate the Parts inventory according to the need-driven vehicle turnaround priorities, item turnover rates and parts delivery lead-times. Identify high-priority items that require long lead-times or are for essential vehicles to determine which items are kept in stock. | Sept 2019: Management reported this recommendation is in progress. Sept 2020: Management reported that there are ongoing efforts to clean up the inventory. They have removed shop supplies from inventory, and an employee has recently been assigned to evaluate whether unused and low-use items need to be available in inventory or can be restocked quickly if needed. This project is expected to take about 6 months to complete. Jan 2021: The department reported working with vendors to potentially have "PM kits" ready for just in time orders. They are continuing to work with vendors on potential issues such as hours of operation and physical locations. May 2021: Auditors reviewed the department's new reports used to monitor parts inventory and scheduled work to bring stock closer to a just-in-time basis and minimize slow moving and obsolete items. | Implemented | <input checked="" type="checkbox"/> |
| 2C | The Fleet Management Director should adjust the Parts room schedule to align with the volume of parts issued and provide for balanced supervisory time for the staff on each shift. | Sept 2019: Management reported this recommendation is in progress. Sept 2020: Auditors noted that the updated staff scheduling provides coverage better aligned with parts issuance volumes. Also, an experienced Parts staff has changed to a Monday through Friday midday shift and can provide assistance to both morning and evening shift staff. | Implemented | <input checked="" type="checkbox"/> |