

Bowling Green Audit Committee
Regular Meeting
July 11, 2016

The Bowling Green Audit Committee convened in a regular meeting at 3:30 p.m. on July 11, 2016 in the Conference Room at Neighborhood and Community Services. The meeting was called to order by Chair Scott Gary. Members of the Committee present were: Audit Professional Jeffrey Stein, General Business members Scott Gary and Tony Witty, City Commissioner Joe Denning and Ex-Officio member City Manager Kevin DeFebbo. Absent: Audit Professional Cristi Pruitt. Also present were Public Works Department Fleet Manager Kris Crowe, Internal Auditor Deborah Jenkins and Assistant City Clerk Ashley Jackson. There was a quorum of the board present.

Chair Gary called the meeting to order and Ms. Jenkins introduced newly appointed Audit Committee member Jeffrey Stein and Fleet Manager Kris Crowe.

Approval of Minutes.

Chair Gary announced that the first item of business was to approve the minutes of the January 11, 2016 regular meeting, which was mailed with the agenda to the members for their review prior to the meeting. Motion was made by Mr. Gary and seconded by Mr. Denning, to accept the minutes as written. Mr. Stein abstained since he was not on the Committee at that time. The minutes were approved as written by unanimous vote.

FY2017 Chair and Vice-Chair nominations.

Ms. Jenkins reviewed the Audit Committee Charter related to terms of appointment and explained who was eligible for the positions.

Motion was made by Mr. Denning and seconded by Mr. Stein to nominate Mr. Gary to serve as Chair and Mr. Witty to serve as Vice Chair for Fiscal Year 2017. All ayes, motion carried.

Presentation of Fleet Technician Efficiency Audit. Ms. Jenkins reviewed the background of the Fleet Division and explained the objectives of the audit was to evaluate the effectiveness and efficiency of fleet mechanic services including preventative maintenance, repairs, outfitting new equipment and evaluate appropriate staff allocation to the division. She further reported that there were seven (7) recommendations identified within her report. The recommendations and management responses are as follows:

- 1. Management should standardize technician procedures and ensure that all labor hours are consistently and accurately entered so data can be relied upon by management and used to evaluate performance and staffing needs.**

Management Response

The nature of the automotive repair industry is not unlike any other industry in the fact that often times the individual has to juggle many tasks. Generally, the fleet technicians will have multiple work orders in many stages of completion, due to waiting on parts, waiting for the vehicle to return or various other reasons. The technicians are also regularly pulled from their current work order to troubleshoot an issue or make a quick repair on a drive up vehicle.

Due to the multiple tasks the technicians may complete in the day, they have developed the habit of posting their labor times at a later date. The delay in posted labor hours has resulted in inaccurate data.

Fleet management will emphasize to the technicians that maintaining accurate labor times is a requirement and not optional.

Management will begin performing daily labor audit reports for the previous day's labor and compare them to the technician's clock hours.

Management will take advantage of a pending software upgrade to review all work order processes. When any new processes are finalized, Fleet management will ensure all of the fleet staff is trained and held accountable for their portion of its implementation.

- 2. Management should evaluate current technician staffing levels. Audit calculations of industry standards indicate a possible need for two additional technicians.**

Management Response

Based upon the VEU analysis, additional technicians are needed. However, other factors should be taken into consideration in determining how many.

During the years of the most recent economic downturn the City limited the number of replacement vehicles purchased, forcing vehicles that were due for retirement to remain in the fleet. Older vehicles require more maintenance which drastically increased the work load of the technicians. Over the last two years the City has resumed purchasing vehicles. The technicians still maintain a heavy work load, but have felt some relief due to the influx of newer vehicles

As mentioned in the first recommendation of this report the technicians are inconsistent when entering their labor hours, resulting in inaccurate data. In efforts to determine the number of additional technicians needed, accurate labor data will be required.

Management will utilize the data generated from future, more accurate reports to determine technician efficiency as well as their direct and indirect hours.

Management will utilize historical and current data to estimate future overall vehicle and equipment count, as well as determine the pattern of increased repairs based on the age of the fleet.

- 3. Management should decide what level of service should be provided, if any, to outside agencies. A written agreement should be approved by the Board of Commissioners so expected service levels are consistently performed as well as appropriate guidance provided for Fleet management.**

Management Response

Community Action makes up the majority of outside services provided by the Fleet Division. Fleet makes every effort to repair and service these vehicles in a timely manner. On occasion, Fleet has temporarily stopped or limited the services provided to outside agencies, due to an excessive work load with the City vehicles. Fleet management has not been able to obtain a written agreement with Community Action to use as a guide. Therefore, fleet has used best judgment and prioritized the City vehicles ahead of the outside agencies. Fleet Management will provide Senior Management and Community Action with all available information necessary put together and formalize a comprehensive agreement for services.

- 4. Management should implement the updated Fleet Focus software that was purchased in June 2012, but has never been implemented.**

Management Response

The need for industry specific software is a necessity in order to meet the needs of maintaining the data of the City's fleet. As the fleet grows in size and complexity, relying on the software becomes even more of a necessity. The Fleet Focus software upgrade will update elements of the software fleet currently uses, along with adding elements to further assist in scheduling, inventory and technician efficiency.

Fleet staff, in conjunction with Information Technologies, is currently reviewing existing fleet processes to determine how the updated software can assist in the areas of concern.

Management will ensure all Fleet staff is trained on the software upgrades.

- 5. The daily scheduling process should be improved to use the software and streamline the current manual process. Various sheets and e-mails are currently used to schedule which can lead to errors or missed items and is extremely time consuming. Improving this process would free up time for the Shop Supervisor to adequately oversee daily shop operations and technicians day to day work.**

Management Response

One of the greatest challenges for the Shop Supervisor is scheduling vehicle and equipment repairs and maintenance. The size and demands of the existing fleet has caused the current process to become too time consuming. This leaves less time for the Shop Supervisor to perform his other duties. The pending software upgrade contains a module that will give all City departments the ability to schedule their vehicle online.

The software upgrade also has the ability to send automated service reminders to an individual e-mail address, limiting the number of e-mails the Shop Supervisor will have to manually send.

Fleet Management will work with Information Technologies and the department heads to determine the most user-friendly and efficient scheduling process.

The anticipated date the Fleet Division will begin using the updated system is October 1st 2016. The anticipated date the scheduling module will be available for all City Departments is January 1st, 2017.

- 6. Management should work to incorporate the fire fleet services within the general shop scheduling and supervision. The fire technician works separately from the rest of the technicians with limited supervision or oversight from fleet management.**

Management Response

When Fleet assumed the repairs and maintenance of the Fire vehicles, it was done so with a little knowledge of the Fire Departments requirements and procedures. It was quickly determined the fire truck fleet was in poor condition. Due to the lack of familiarity with the fire equipment by the shop supervisor and the heavy work load with the rest of the city vehicles, it was determined the quickest way to bring the fleet up to an acceptable level was to allow the fire truck technician to oversee the scheduling and repairs.

The demands of the Fire Department are different than other departments in the fact that they are emergency response and are limited to few back up vehicles. Working within their schedule is difficult and requires timely and accurate communication.

When a more efficient scheduling process is implemented, it is anticipated the shop supervisor will have more time to learn the intricacies of the Fire Apparatus' and the Fire Department needs.

Fleet management will evaluate the current system and consult with the Fire department to determine the most efficient process to service their fleet.

- 7. The City Manager should work with management to decide how to balance adequate authority levels to service responsibility. Each department differs in how they provide service requests for items that are not a repair or general maintenance to fleet services; however, fleet management has limited authority on approving the services that they are responsible for installing or maintaining.**

Management Response

The Fleet Division makes every effort to assure each vehicle is repaired, serviced or up-fitted according to the department's requests. On occasion one of these services will be requested that the Fleet Division, based on expertise, determines is not necessary or there is a more cost effective alternative.

The Fleet Division recognizes and agrees with the various departments need for back-up vehicles. The vehicles used for back-ups are vehicles that are kept after they have exceeded the replacement criteria. The problem with this method is it extends the life of a vehicle that has been deemed past its usefulness, resulting in the Fleet Division continuing maintenance of an old vehicle in addition to the new replacement. Also, with an additional vehicle available, sometimes the back-ups are used along with the primary vehicles rather than when a primary vehicle is temporarily out of service.

Fleet Management will collaborate with the individual departments to develop a process in which all relevant divisions are consulted when requests are made not concerning general maintenance and repair.

Fleet Management will work with the individual departments in efforts to obtain a back-up vehicle plan that minimizes the use of the vehicle along with providing vehicles that have not exceeded the replacement criteria.

Presentation and approval of the FY2016/2017 Audit Plan.

Ms. Jenkins reported on the FY2016/2017 Audit Plan. She explained that she met with Department Heads and discussed risk factors within the departments. The upcoming audits that Ms. Jenkins has scheduled are as follows: 1.) Cemetery Administration audit, 2.) BOLT implementation review and IT Department assisting with funding, 3.) Park Maintenance Operations follow-up, 4.) Building and Inspection Division audit and 5.) Timeclock audit. She further plans to continue unannounced cash counts, administering the Employee Ethics Hotline, as well as special requests and advisory needs from management.

Motion was made by Mr. Witty and seconded by Mr. Denning to approve the FY2016/2017 Annual Audit Plan as written. All ayes, motion carried.


The next quarterly meeting to be rescheduled to October 10, 2016.


Ms. Jenkins announced the next regular scheduled meeting date and time.

Adjournment.

There being no other business to be conducted, at 5:00 p.m. Chair Gary declared the meeting adjourned.

November 7, 2016
Date Approved


Scott Gary, Chair


Ashley Jackson, Assistant City Clerk