



CITY OF
FORT LAUDERDALE

CITY AUDITOR'S OFFICE



Audit of Vehicle and Cell Phone Allowances

Report #22/23-7

September 19, 2023



Memorandum No: 22/23-10

Date: September 19, 2023

To: Honorable Mayor, Vice Mayor, and Commissioners

From: Patrick Reilly, CPA *PR*
City Auditor

Re: Audit of Vehicle and Cell Phone Allowances

Objective

The objective of this audit was to determine whether duplicate fringe benefits were provided to city employees relating to vehicles or mobile devices, such that the city is providing a vehicle and/or mobile device and also paying a cell phone and/or vehicle allowance.

Conclusion

The City Auditor's Office (CAO) found that internal controls for the city's vehicle and cell phone allowance benefit payments need to be enhanced, implemented appropriately, and monitored more diligently.

Scope and Methodology

The audit included a reconciliation of 100% of employees receiving a vehicle and/or cell phone allowance during the audit period of fiscal years 2020 through 2022 (FY20 - FY22) and a review of related internal controls.

The CAO conducted its assessment of internal controls using the May 2013 updated Internal Control—Integrated Framework established by The Committee of Sponsoring Organizations of the Treadway Commission (COSO). The framework defines internal control, describes the components of internal control and underlying principles, and provides direction for all levels of management in designing and implementing internal control and assessing its effectiveness. The five components of the COSO framework are: control environment, risk assessment, control activities, information and communication, and monitoring activities.

The audit methodology included but was not limited to:

- Performing data reliability and integrity assessment of related computer systems, as applicable;
- Reviewing applicable regulatory guidance, policies and procedures, and related requirements;

- Reviewing records and reports;
- Performing process walk-throughs and conducting a review of controls;
- Interviewing appropriate personnel; and
- Performing detailed testing on selected activities.

The CAO has identified three (3) Findings and one (1) Observation during the audit. A Finding results from a failure to comply with policies and procedures, rules, regulations, contracts, and fundamental internal control practices. An Observation represents an opportunity to improve on design or functionality of an existing internal control. The audit's findings are a combination of internal control significant deficiencies and material weaknesses. See Exhibit 1 (page 16) for categories of findings.

This audit was conducted in accordance with generally accepted government auditing standards. These standards require that we plan and perform the review to obtain sufficient, appropriate evidence to provide a reasonable basis for our conclusions based on our objectives. The CAO believes that the evidence obtained provides a reasonable basis for our conclusions based on our objectives.

Background

The City, by Policy and Standards Manual (PSM), offers personnel fringe benefits in relation to mobile devices and vehicles, as either use of City owned property or a pay allowance that offsets the cost of business use of personal property.

Relevant to the audit period, these PSMs were implemented December 22, 2015 and February 15, 1997 as to cell phones, PSM 9.11.5, and take-home vehicles, PSM 8.1.3, respectively. Both PSMs prohibit employees from receiving a double benefit of both a device and a pay allowance. In December of 2022, the take-home vehicle PSM was under editing review by the City Manager's Office with nothing finalized by the start of this audit.

As of January 2022, Finance recognized a need to prevent payment of cell phone allowance for City employees designated to receive a City cell phone. For this objective, ITS designed and implemented a control process where they would pre-verify any existing cell phone allowance and cancel it prior to issuing a City cell phone. This process was not formalized in a written policy and procedures document.

Additionally, departments assigning a high volume of take-home vehicles have their own respective policies to control those vehicles within the City's Personally Assigned Vehicle (PAVe) benefit program, which generally requires a small monthly deduction from pay of participating employees.

Take-home vehicles are purchased by Fleet, which is a division of Public Works (PBS), but assigned and controlled by liaisons within each City department. Cell phones and plans are purchased and issued by Information Technology Services (ITS). Benefits are controlled by Human Resources (HR) and paid by Payroll. Payroll is a division of Finance (FIN). All these departments are the responsibility of one Assistant City Manager who reports to the City Manager.

Annual average City spending on vehicle and cell phone allowances during the audit period was approximately \$1.35M and \$525K, respectively, or nearly \$2M combined.

Fleet primarily uses a GPS-enabled software system to physically control/monitor City vehicle inventory. As of the first quarter of the fiscal year 2023, approximately 1,450 City vehicles had a GPS device installed, representing an estimated 75-85% of Fleet's inventory. During the audit period, approximately 725 employees drove City take-home vehicles. The City's total vehicle inventory had an approximate capitalized cost value, gross of depreciation, of \$120M.

City mobile devices are generally categorized as cell phones, tablets, and aircards capable of a wireless internet connection. ITS issues mobile devices to employees through a contracted internet service provider, which maintains data records on such devices and their respective City employee assignments. ITS had no asset management policy during the audit period. During FY2022, the City spent nearly \$600K for approximately 1,800 mobile devices issued to City employees, of which 550 are cell phones.

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FINDINGS

Finding 1 – In some instances, employees were receiving both a cell phone allowance and issued a city cell phone

Condition

Substantive testing by data analysis of 100% of cell phone allowances and cell phones during the audit period, fiscal years 2020 through 2022, of 1,009 employees that had a cell phone allowance, CAO found 38 (3.8%) exceptions totaling approximately \$19,000 of cell phone allowances being paid to an employee while also having a cell phone.

Auditor Note:

In the PSM, it refers to cell phones as “mobile devices.” For the purposes of the audit, the CAO uses the term “Cell Phone.”

Criteria

City PSM 9.5.11 on mobile devices, provision 3b, prohibits the condition of an employee concurrently having both a cell phone allowance and a cell phone.

"For those employees who do not have a personal mobile device or do not wish to participate in this program, but for whom a legitimate need for a mobile device to perform City business has been determined, the employee's department will provide a mobile device for personal or "pool" use as necessary...."

Cause

Prior to January 2022, ITS had not yet implemented a process to pre-verify existing cell phone allowances upon issuing City mobile devices.

Additionally, once the verification process was implemented in 2022, it was not applied retrospectively to identify all existing cases of overlapping allowance.

Effect

Excess allowances within the three-year audit period totaled approximately \$19,000.

Recommendations:

The CAO recommends that the City Manager have ITS work in conjunction with all departments to perform an analysis to find all continuing cases of overlapping cell phone allowances for prompt cancellation.

Management Response:

Management concurs with this finding and has taken steps to implement further controls in the process of issuing City Cell Phones Citywide. This is further delineated in Observation 1 response. Additionally, as recommended, ITS and Finance will conduct a comparative analysis of the cell phone stipend roster against the cell phone issued list to identify any current or past offensives.

Finding 2 – The internal control process and PSM for city take-home vehicles needs to be updated and adhered to.

Condition

Internal controls pertaining to city take-home vehicles are not complete, cohesive, nor centrally administered.

Auditor Note:

Regarding completeness, PSMs and departmental policies are missing formalized control activities concerning the detection of:

- overlapping vehicle allowance payments and assigned take-home vehicles, which is prohibited by PSM 8.1.3 paragraph 7, and
- unauthorized use of City vehicles, as in taking home vehicles without prior approval (as discussed in the Background section on page two regarding the GPS system).

Regarding cohesion, three PSMs concern the use of City motor vehicles (8.1.1, 8.1.2, 8.1.3). Though PSM 8.1.3 is titled *Take-Home of City Vehicles*, policies and controls relevant to this subject are contained within the other two PSMs, which could complicate internal control implementation. A couple examples include the following, but are not limited to:

- The prohibition of an employee having both vehicle allowance and a city take-home vehicle, per PSM 8.1.3, is negated for the Police Department and the Fire Department, Management Categories 1-3, per separate PSM 8.1.2, provision 3b, creating an inconsistency between PSMs.
- Regarding unauthorized take-home of city vehicles, a separate PSM 8.1.1 (paragraph H3) acknowledges a GPS tracking system installed in city vehicles but delegates its use to department directors without oversight. The PSM indicates the system is intended for use of anomaly detection but is missing details as to what qualifies as an anomaly (tying it back to PSM 8.1.3), how detection is effectively performed, and how the system needs to be centrally controlled. A few of the departments have individual vehicle policies, but none of these policies require or detail the use of this system.

Regarding centralization, performance and/or monitoring of control activities regarding vehicle allowances and take-home vehicles is largely decentralized without independent oversight, which does not ensure that each department is adhering to one control process or performing control activities consistently. Further, within PSMs 8.1.1 and 8.1.2, directors are granted both authorization and reconciliation duties as to take-home city vehicle assignments and vehicle location tracking, respectively, which creates a separation of incompatible duties concern with no requirement for independent verification.

Criteria

PSM 8.1.1, 8.1.2, 8.1.3 are the current criteria that need enhancement.

The COSO framework components below are also provided as guidance to enhance internal controls in this area:

COSO Principle 5 - The organization holds individuals accountable for their internal control responsibilities in the pursuit of their objectives.

COSO Principle 10 - The organization selects and develops control activities that contribute to the mitigation of risks to the achievement of objectives to acceptable levels.

COSO Principle 12 - The organization deploys control activities through policies that establish what is expected and procedures that put policies into action.

COSO Principle 13 - The organization obtains or generates and uses relevant, quality information to support the functioning of internal control.

Cause

The PSM's are not reviewed and updated on a more frequent basis.

- It is noted that one of the three City vehicle usage PSMs was revised in 2020; however, the existing other two PSMs have not been updated since 1997 and 2006.

Effect

Some potential impacts include, but are not limited to:

- Employees could receive both a vehicle allowance and an assigned City take-home vehicle.
 - Two employees were found to have received both a vehicle allowance and an assigned City take-home vehicle.
 - In one instance, a department provided timely notification to cancel the allowance when the take-home vehicle was assigned, but the change in the payroll system was not implemented for several months.
- Employees could drive a city vehicle home without departmental authorization.
 - Three employees were found to have driven a city vehicle home multiple times without authorization, i.e. the GPS vehicle tracking data was not effectively monitored. It is noted that none of these employees had a vehicle allowance at the time.
- Decentralized, departmental vehicle recordkeeping could be inaccurate, incomplete, or not properly retained.
 - The audit found some errors and omissions of important details in take-home vehicle lists provided by departments.
 - Additionally, when a couple of departments could not provide historical take-home authorization forms, the audit discovered Payroll centrally retains these forms in hardcopy only, despite digital retention possibilities such as storage available in the GPS system.
 - These control forms indicate the date the vehicle was assigned to an employee and are essential for retrospectively determining duration of any overlapping allowance.
- Capability of monitoring vehicles at higher risk of being taken home without authorization may be diminished.
 - Three (of seventy) vehicles with higher mileage selected for analysis were found to not have a GPS device installed, preventing the audit from determining whether the vehicles had been taken home without authorization and/or having any overlapping

vehicle allowance.

- *Subsequent event: GPS devices were installed in these vehicles upon this audit discovery.*

Recommendations:

The CAO recommends that the City Manager revisit city vehicle usage process and work in conjunction with the respective city departments to update, enhance, and possibly centralize the administration of the PSM.

Management Response:

Management agrees at the time of the start of the CAO audit, the internal controls and policies for the City's take-home vehicles needed updating, and in fact, management had proactively engaged in the process of updating several of the PSM related to the internal controls and policies of the take-home vehicles.

As a result of management's actions/guidance, recommended updates have been prepared and forwarded to the Executive Strategy Team (EST) for further review and processing.

Specific steps to-date included:

On July 31, 2023, Strategic Innovations Division of the Office of Management and Budget (OMB) sent an email to the EST, attaching four (4) revised PSMs, including PSMs:

- *8.1.1 – Use of City Motor Vehicles*
- *8.1.2 – Use of City Motor Vehicle by Management,*
- *8.1.3 – Take Home City Vehicles*

The proposed edits include:

- *Safe use of City vehicles*
- *Limiting City liability*
- *Clarification as to who is eligible to use a City vehicle Clarification as to who is responsible for issuing a City vehicle and approving a vehicle allowance*

The EST has been instructed to review the proposed changes to the PSMs that will provide clarity and guidance to employees regarding the use of City vehicles. Additionally, a copy of these audit findings (once completed) will also be given to the EST to review in unison along with the other recommendations.

Once the EST reviews the proposed changes, recommendations will be made to Strategic Innovations to accept or further edit the documents, and then re-publish them for general distribution and posting on LauderShare.

Finding 3 – A physical inventory of city vehicles has not been performed per State regulations and PSM.

Condition

An independent physical inventory of city vehicles has not been conducted for nearly 10 years (November 2013, Finance - Fixed Assets)

Auditor Note:

An inventory was planned for February 2022, but it was not performed.

- This is not in compliance with State regulations, Florida Administrative Code (FAC), Rule 69I-73.006. FAC and City PSM 9.16.1, which require an annual inventory of assets.

It was also noted that Fleet's inventory file, a spreadsheet, is not properly controlled by password protection.

- In 2021, at an annual cost of \$41,000, Fleet began licensing a vehicle inventory management system, but Fleet was unable to provide the CAO with an inventory report produced by the management system.
- In addition, a full implementation of this system with proper IT general controls would help to ensure inventory records are complete and accurate.

Regarding the physical count aspect of the inventory process, for several years Fleet has implemented a GPS-tracking system within City vehicles, which generally automates an inventory count, but not all vehicles have a device installed, so a physical count is still needed to some extent.

Criteria

Per FAC 69I-73.006 (1), "Physical Inventory Required - Each governmental unit shall ensure a complete physical inventory of all property taken annually and whenever there is a change of custodian or change of custodian's delegate."

Per FAC 69I-73.002, "Threshold for Recording Property. All property with value or cost of \$5,000 or more and a projected useful life of 1 year or more shall be recorded in the local government's financial system as property for inventory purposes."

Per city PSM 9.16.1 (G): "The Finance Director will ensure that reporting for capital assets is being exercised by establishing a capital asset inventory, both initially and periodically in subsequent years....will further ensure that the capital asset report will be updated annually or more frequently to reflect improvements, additions, retirements, and transfers."

Cause

The Finance Department's resources are limited, such that the Finance Department performs a sample inventory count on an annual basis; however, the inventory count process is not considered sufficient to satisfy the PSM and FAC.

Effect

Without a consistent reconciliation of independent records between Fleet and Finance, the financial statements could be understated or overstated with respect to additions, deletions, or obsolete inventory.

Auditor Note:

The CAO performed a cursory reconciliation of Fixed Assets and Fleet inventory data and no discrepancies were found.

Recommendations:

The City Manager should ensure the Finance Director performs the following:

- Fleet and Finance are collaborating annually on a vehicle inventory to ensure assets are safeguarded and financial reporting is complete and accurate, in accordance with PSM's and State regulations,
- Fleet's inventory software is properly controlled and implemented,
- Fixed Assets recordkeeping is implemented in the ERP system.

Management Response:

Management agrees with the overall premise and objectives of the CAO findings/recommendations.

However, given the advances in technology used by the City's Fleet Management Team, the need for a complete physical vehicle inventory count has been substantially mitigated by Fleet's automated Global Positioning System (GPS) tracking software. When balancing resource availability, cost, previous and ongoing operational reviews, and site visits, against the additional value-added information to be gained from performing a complete physical inventory count of the City's entire fleet, it is not management's opinion that it is in the City's best interest at this time, and therefore, not recommended for vehicles with GPS tracking.

Over the last few years, Fleet representatives have gone to sites across the city and met with supervisors to review all vehicles/equipment they are responsible for. The information derived from these site visits has been added to the new fleet software – Collective Data. Of the 1,505 City vehicles, 1,250 or 83% are equipped with GPS tracking, enabling Fleet to monitor and count these vehicles on a continual basis. The other 255 or 17% vehicles will receive GPS tracking systems as time and funding becomes available and operational necessity dictates, allowing Fleet to do automated vehicle counts of the City's entire vehicle inventory via an automated process.

Based on the ongoing continuous operational efforts (site visits etc.) and technology advances (Collective Data), management believes Fleet is effectively performing a continuous/perpetual audit of the City's fleet inventory and will have Finance work with Fleet to codify its efforts into a standardized process/format to effectively demonstrate its annual accountability of the City's fleet equipment. Furthermore, for the non-GPS vehicles, management does feel it is appropriate to develop a more heightened/targeted review of these vehicles.

OBSERVATIONS

Observation 1 – Enhancements are needed in ITS control process for issuing city cell phones and an employee having a cell phone allowance removed.

Condition

ITS control process' for issuing city cell phones and an employee having a cell phone allowance removed needs to be enhanced.

- There were 18 phones issued in 2022, and 15 employees did not have a cell phone allowance and three employees did have a cell phone allowance. Two employees who had a cell phone allowance did not have the cell phone allowance canceled upon receiving their city cell phone.
- The new ITS control process, implemented in 2022 and aimed at preventing overlapping cell phone allowance payments and issuance of city cell phones, was not formalized in a written policy and procedure document,
- The flowchart for the controls were found to be missing key control components,
- The process, after the cell phone request is verified with Payroll as to existing cell phone allowance, involves a service ticket assignment between ITS employees that does not require documentation and notification of any changes of cell phone end-user,
- Physical control over cell phones was found to need enhancement:
 - ITS acknowledged it has no asset management policy:
 - Once a mobile device is issued to a department, there is no expectation the phone will be returned to ITS when the original user is done with it,
 - It was acceptable practice for ITS personnel to deliver a newly issued phone to the desk of an employee with no evidence of direct delivery to/receipt by the employee being required.

Criteria

COSO provides the following guidance relevant to adequate internal control design:

COSO Principle 10 - The organization selects and develops control activities that contribute to the mitigation of risks to the achievement of objectives to acceptable levels.

COSO Principle 12 - The organization deploys control activities through policies that establish what is expected and procedures that put policies into action.

COSO Principle 16 - The organization selects, develops, and performs ongoing and/or separate evaluations to ascertain whether the components of internal control are present and functioning.

Cause

The key control of pre-verification between ITS and Payroll was not consistently performed for cell phone issuances.

Additionally, an internal control of supervisory review was not designed and implemented as part of the process.

Effect

Some of the effects include, but are not limited to:

- Additional expenses incurred by giving a city cell phone and cell phone allowance,
- No accountability for lost phones,
- Phones could be stolen or used by someone other than the intended end-user.

Recommendations:

The CAO recommends that the City Manager instruct the Finance and ITS director to enhance its cell phone pre-verification process within a written policy to include, but not limited to:

- Coordination with the respective departments requesting the cell phone and payroll,
- Periodic inventory and/or enhanced physical controls over the asset,
- Enhanced documentation of delivery and receipt of the cell phone
- Independent review of cell phone end-user, allowances, and inventory by department.

Management Response:

Management agrees the controls around overlapping of cell phone allowances and provided cell phones/mobile devices should be codified in the City's policies and procedure and will update the appropriate policies to ensure clear and concise directions for all staff members.

A greater onus will be placed on the requesting department's Supervisor/Director to ensure before signing and approving they verify there is no duplication of either the stipend / issued City cell phone. ITS and Finance amended the Mobile Device Allowance form to add ITS signature confirming the employee does not possess a City issued cell phone prior to the stipend being processed in the employees' paycheck. ITS already has this control in place when issuing a city cell phone to ensure no stipend exists. This additional step will close the existing loophole.

To enhance and control the mobile devices' physical assets, moving forward ITS will obtain a signature receipt from all staff members issued a mobile device. Also, on the back end, ITS will work with Human Resources (HR) to add ITS to its Employee Separation Checklist to ensure ITS has an opportunity to collect any issued mobile devices prior to any departing staff member's last day of work.

cc: Greg Chavarria, City Manager
Susan Grant, Assistant City Manager
Anthony Fajardo, Assistant City Manager
Jerome Post, Director of Human Resources
Linda Short, Director of Finance
Tamecka McKay, Director of Information Technology Services
D'Wayne Spence, Interim City Attorney
David Soloman, City Clerk

EXHIBITS

Exhibit 1 - COSO Framework and Finding Categories

The CAO conducted its assessment of internal controls using the May 2013 updated Internal Control—Integrated Framework established by The Committee of Sponsoring Organizations of the Treadway Commission (COSO). The framework defines internal control, describes the components of internal control and underlying principles, and provides direction for all levels of management in designing and implementing internal control and assessing its effectiveness. The five components of the COSO framework are: control environment, risk assessment, control activities, information and communication, and monitoring activities.

A Finding results from a failure to comply with policies and procedures, rules, regulations, contracts and fundamental internal control practices.

A finding is categorized as a “deficiency,” a “significant deficiency” or a “material weakness” as defined below:

- *A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance on a timely basis.*
- *A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.*
- *A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance will not be prevented, or detected and corrected, on a timely basis.*

Appendix - Acronyms

CAO	City Auditor's Office
COSO	Commission of Sponsoring Organizations of the Treadway Commission
EWP	Electronic Workpaper
ERP	Enterprise Resource Planning
FAC	Florida Administrative Code
ITS	Information Technology Services
PSM	Policy and Standards Manual

FULL TEXT OF
MANAGEMENT
RESPONSES



Memorandum

Memorandum No: 23-99

Date: September 12, 2023

To: Patrick Reilly, City Auditor

From: Greg Chavarria, City Manager 
Greg Chavarria (Sep 13, 2023 10:36 EDT)

Re: **Audit of Vehicle and Cell Phone Allowances**

Management appreciates the City Auditor examining internal controls over Vehicle and Cell Phone Allowances for compliance. The examination identified Findings and an Observation that will be addressed by Management.

The following are Management Responses to the examination Findings:

Finding 1.

Finding:

In some instances, employees were receiving both a cell phone allowance and issued a city cell phone.

Recommendations:

The CAO recommends that the City Manager have Information Technology Service (ITS) work in conjunction with all departments to perform an analysis to find all continuing cases of overlapping cell phone allowances for prompt cancellation.

Management Response:

Management concurs with this finding and has taken steps to implement further controls in the process of issuing City Cell Phones Citywide. This is further delineated in Observation 1 response. Additionally, as recommended, ITS and Finance will conduct a comparative analysis of the cell phone stipend roster against the cell phone issued list to identify any current or past offenses.

Finding 2.

Finding:

The internal control process and PSM for city take-home vehicle needs to be updated and adhered to.

Recommendations:

The CAO recommends that the City Manager revisit the city vehicle usage process and work in conjunction with the respective city departments to update, enhance, and possibly centralize the administration of the Policy and Standards Manual (PSM).

Management Response:

Management agrees at the time of the start of the CAO audit, the internal controls and policies for the City's take-home vehicles needed updating, and in fact, management had proactively engaged in the process of updating several of the PSM related to the internal controls and policies of the take-home vehicles.

As a result of management's actions/guidance, recommended updates have been prepared and forwarded to the Executive Strategy Team (EST) for further review and processing.

Specific steps to-date included:

On July 31, 2023, Strategic Innovations Division of the Office of Management and Budget (OMB) sent an email to the EST, attaching four (4) revised PSMs, including PSMs:

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- 8.1.3 – Take Home City Vehicle*

The proposed edits include:

- Safe use of City vehicle*
- Limiting City liability*
- Clarification as to who is eligible to use a City vehicle*
- Clarification as to who is responsible for issuing a City vehicle and approving a vehicle allowance*

The EST has been instructed to review the proposed changes to the PSMs that will provide clarity and guidance to employees regarding the use of City vehicles. Additionally, a copy of these audit findings (once completed) will also be given to the EST to review in unison along with the other recommendations.

Once the EST reviews the proposed changes, recommendations will be made to Strategic Innovations to accept or further edit the documents, and then re-publish them for general distribution and posting on LauderShare.

Finding3

Finding:

A physical inventory of city vehicles has not been performed per state regulations and PSM.

Recommendations:

The City Manager should ensure the Finance Director performs the following:

- Fleet and Finance are collaborating annually on a vehicle inventory to ensure assets are safeguarded and financial reporting is complete and accurate, in accordance with PSM's and State regulations,
- Fleet's inventory software is properly controlled and implemented,
- Fixed Assets recordkeeping is implemented in the Enterprise Resource Planning (ERP) system.

Management Response:

Management agrees with the overall premise and objectives of the CAO findings/recommendations.

However, given the advances in technology used by the City's Fleet Management Team, the need for a complete physical vehicle inventory count has been substantially mitigated by Fleet's automated Global Positioning System (GPS) tracking software. When balancing resource availability, cost, previous and ongoing operational reviews, and site visits, against the additional value-added information to be gained from performing a complete physical inventory count of the City's entire fleet, it is not management's opinion that it is in the City's best interest at this time, and therefore, not recommended for vehicles with GPS tracking.

Over the last few years, Fleet representatives have gone to sites across the city and met with supervisors to review all vehicles/equipment they are responsible for. The information derived from these site visits has been added to the new fleet software – Collective Data. Of the 1,505 City vehicles, 1,250 or 83% are equipped with GPS tracking, enabling Fleet to monitor and count these vehicles on a continual basis. The other 255 or 17% vehicles will receive GPS tracking systems as time and funding becomes available and operational necessity dictates, allowing Fleet to do automated vehicle counts of the City's entire vehicle inventory via an automated process.

Based on the ongoing continuous operational efforts (site visits etc.) and technology advances (Collective Data), management believes Fleet is effectively performing a continuous/perpetual audit of the City's fleet inventory and will have Finance work with Fleet to codify its efforts into a standardized process/format to effectively demonstrate its annual accountability of the City's fleet equipment. Furthermore, for the non-GPS vehicles, management does feel it is appropriate to develop a more heightened/targeted review of these vehicles.

Observation 1

Observation:

Enhancements are needed in ITS control process for issuing city cell phones and an employee having a cell phone allowance removed.

Recommendations:

The CAO recommends that the City Manager instruct the Finance and ITS Director to enhance its cell phone pre-verification process within a written policy to include, but not limited to:

- Coordination with the respective departments requesting the cell phone and payroll,
- Periodic inventory and/or enhanced physical controls over the asset,
- Enhanced documentation of delivery and receipt of the cell phone
- Independent review of cell phone end-user, allowances, and inventory by department.

Management Response:

Management agrees the controls around overlapping of cell phone allowances and provided cell phones/mobile devices should be codified in the City's policies and procedure and will update the appropriate policies to ensure clear and concise directions for all staff members.

A greater onus will be placed on the requesting department's Supervisor/Director to ensure before signing and approving they verify there is no duplication of either the stipend / issued City cell phone. ITS and Finance amended the Mobile Device Allowance form to add ITS signature confirming the employee does not possess a City issued cell phone prior to the stipend being processed in the employees' paycheck. ITS already has this control in place when issuing a city cell phone to ensure no stipend exists. This additional step will close the existing loophole.

To enhance and control the mobile devices' physical assets, moving forward ITS will obtain a signature receipt from all staff members issued a mobile device. Also, on the back end, ITS will work with Human Resources (HR) to add ITS to its Employee Separation Checklist to ensure ITS has an opportunity to collect any issued mobile devices prior to any departing staff member's last day of work.

Attachment



CITY OF FORT LAUDERDALE

MOBILE DEVICE ALLOWANCE AUTHORIZATION FORM

This form should be used in compliance with the Mobile Device Policy. A monthly allowance for use of personal cellular telephones must be initially approved by the respective Department Director. Each cellular telephone assignment is subject to an annual review. Approved requests should be submitted to the timekeeper or emailed to payroll@fortlauderdale.gov for processing.

Section 1 - Department/Employee Information

Employee Name _____
 Employee Category _____
 Cellphone Number _____
 Department/Division _____
 Cost Center _____
 Contact Person _____
 Do you currently have a City-assigned mobile device? Yes _____ No _____
 Device Control # _____
 Effective Date Start _____ Stop _____
Month/Year Month/Year

Section 2 - Allowance Requested

____ Tier 1 Voice Services - \$40 Management Category III, IV, V, and all other employees
 ____ Tier 2 Voice Services - \$50 Management Category I and II
 ____ Data Services - \$60 (If eligible per Department Director)

Section 3 - Approvals

I have read and understand the City of Fort Lauderdale's Mobile Device Policy. I certify that the above allowance will be used to cover City business related costs associated with owning the device. I understand that there is no expectation, obligation or requirement that non-exempt employees read or respond to email during non-working hours.

 Employee Signature Date

It is important to note that hourly employees using personal mobile devices for voice or data purposes related to City job requirements are considered to be working, and may be eligible for overtime if they are non-exempt and have worked/will work 40 hours in a week. Employees must report such working time accordingly. This should be taken into consideration when requesting allowances for employees paid on an hourly basis.

Approved Not Approved

 Department Director Signature Date

FINANCE DEPARTMENT APPROVAL

FBO~CR - Setup requires the pay period begin date for the first bi-weekly pay of the month.

Pay Period Start Date: _____
 Date Entered in System: _____
 Processed/Approved By: _____

ITS DEPARTMENT APPROVAL

Does the employee have a City-issued mobile device?

No Yes

Approved By: _____
 Date: _____