



# City of San Antonio

## Agenda Memorandum

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**Agenda Item Number:** 10.

**Agenda Date:** 8/23/2018

**In Control:** Audit and Accountability Committee

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### **AUDIT COMMITTEE SUMMARY**

**August 23, 2018**

**Audit of Solid Waste Department Heavy Duty Equipment Service Centers**

Report Issued June 27, 2018

#### **Audit Objective**

Determine if the Heavy Duty Equipment Service Centers are operating and managed effectively and efficiently and that performance measures are supported and appropriate.

#### **Background**

The Solid Waste Management Department (SWMD) Heavy Fleet Maintenance Division operates five vehicle and equipment maintenance facilities whose primary responsibility is to service, maintain, and repair the City's vehicles and equipment.

Each facility uses Faster, a system for recording repairs and maintenance, as well as managing and monitoring fleet and parts inventory. Day-to-day parts inventory is managed by stock clerks, who are responsible for ordering parts from vendors, receiving parts and entering into the Faster system inventory, issuing parts to mechanics, charging parts to work orders, and performing the year-end physical inventory. The Heavy Fleet Maintenance Division service centers maintain an inventory of frequently used parts, while remaining parts are ordered as needed through various vendor contracts.

The Heavy Fleet Maintenance Division is funded through interdepartmental billings which charge COSA customer departments for services performed. Billings include parts, labor, and outsourced repairs, if applicable. Outsourced repairs are those that require additional parts and expertise. Fiscal year 2017 interdepartmental billings totaled \$18.1 million.

#### **Audit Scope and Methodology**

The audit scope was fiscal year 2017. We reviewed controls for ensuring equipment was available to departments. In addition, we validated the accuracy and completeness of SWMD's performance reports. We inspected the physical security of the service centers. We also tested the parts purchasing process. We reviewed the training programs. Finally, we reviewed the Faster system's user access.

#### **Audit Conclusions**

The Heavy Duty Equipment Service Centers are operating and managed effectively and efficiently to ensure that equipment is available and business objectives are being met. SWMD have processes in place that ensure they are meeting their operational equipment requirements daily and is accurately billing customer

departments. In addition, SWMD's performance measures are supported and appropriate.

However, there were opportunities to strengthen the controls associated with the training and development of service center staff as well as the physical security over the parts inventory within each service center.

We made recommendations to address the opportunities. Management agreed with the recommendations and developed positive corrective action plans.