

November 2022



Office of Internal Audit

Why We Did This Audit

We performed this audit as part of the FY22 Audit Plan.

What We Recommend

We recommend Fleet perform the following:

- Ensure all fuel fobs have limits in dispensing fuel and review fuel reports for problematic odometer readings.
- Work with the IT Department to inspect cameras at the fueling depot and replace the malfunctioning camera.
- Implement an inventory management system for fleet parts and accessories.
- Require Departments to perform an annual physical inventory of their fleet.
- Establish a central administrative oversight function to manage the reporting of take-home vehicles for payroll fringe benefits.
- Include a list of authorized fuel fob users in the monthly fuel report and obtain confirmation of City department's review.
- Regularly reconcile City fleet to the RMV database and have the Finance Department at DPW perform a review of the reconciliation.
- Require that Sodexo provide their own transportation to deliver food to the district's schools.
- Recommend that the Vehicle Review Committee meet quarterly to ensure that proper planning and vehicle oversight is being completed.
- Recommend that the City's Vehicle Use Manual be updated.

For more information, contact Yong No at yno@springfieldcityhall.com or 413-784-4844.

Audit of City Fleet Management Executive Summary

Background

The City of Springfield's ("City") Fleet Management Division (Fleet) is part of the Department of Public Works. Fleet provides vehicle and equipment repair services, and fleet acquisition and disposal services for the City's 645 vehicles and pieces of equipment, excluding the Fire and Police (SPD) Departments which manage their own fleet. Fleet also provides fuel to City departments (Departments), including SPD and Fire.

Fleet processes over 2,900 repair orders per year with a General Fund budget of \$1,597,984 and an Enterprise Fund budget of \$1,500,061 (relating to Solid Waste)¹, and a staff of 14, consisting of 9 mechanics, 2 storekeepers, a foreman, an assistant fleet manager, and a fleet manager, at its facility located at 70 Tapley Street. Fleet has a stockroom for vehicle parts and supplies, which is manned by the storekeepers. The City's fueling depot is located at 70 Tapley Street. The Springfield Housing Authority and Springfield Business Improvement District are allowed to use the City's fueling depot. For FY2022, the City dispensed 576,056 gallons of fuel combined for both Regular and Diesel Fuel with a value of \$1,814,615, or an average of \$3.15 per gallon. Fleet bills these entities and Departments for their consumption of fuel.

Objectives and Scope

The primary objective of this audit was to determine if there are adequate controls over Fleet operations.

Our audit covered the period from Fiscal Year (FY) 2022 to September 2023. This audit did not include vehicles and equipment assigned and used by the Police and Fire Departments.

What We Found

- Automated controls for limiting the dispensation of fuel is not in effect for all issued fuel fobs.
- Cameras deployed by fueling depot are not functioning.
- The management of inventory pertaining to vehicles and fleet parts and accessories could be improved.
- Certain trailers and vehicles could not be accounted for.
- Data discrepancies exist in complimentary systems related to fleet management.
- There were instances of non-compliance with the City's Motor Vehicle Policy.
- The Fleet Manager has conflicting duties.
- Non-City employees are allowed to drive City vehicles.

¹ The City of Springfield's FY2023 Adopted Budget



INTRODUCTION

Chapter 468 of the Acts of 2008 authorizes the Director of Internal Audit to examine the records of the City and its departments to prevent and detect waste, fraud and abuse and to improve the efficiency, effectiveness and quality of public services provided in and by the City. In accordance with this legislation, all offices and employees of officers, boards, commissions, agencies and other units of City government are required to comply with requests for information or access to systems and records by the Office of Internal Audit (OIA). The following review aligns the authority and goals of the OIA with those of the City. Specifically, this audit addresses the City's values related to accountability such as integrity, fiscal responsibility and transparent practices. The audit also supports the City's strategic priorities ensuring operational excellence, fiscal health and sustainability in all divisions, departments, programs and activities.

This report is not intended to be an adverse reflection of the City or of its vendors. The intent is for City management to utilize these findings and recommendations to help in making future well-informed strategic decisions while ultimately meeting City objectives.

BACKGROUND

The City of Springfield ("City") Fleet Management Division is part of the Department of Public Works. The Fleet Management Division (Fleet) provides vehicle and equipment repair services, and fleet acquisition and disposal services for the City's 645 vehicles and pieces of equipment, excluding the Fire and Police (SPD) Departments that manage their own fleet. Fleet also provide fuel to Departments, including SPD and Fire.

The City's fleet is comprised of the following:

Number of Assets	Vehicle/Equipment Type	Vehicle Description
51	Passenger Vehicles	Sedans and station wagons, such as a Ford Escort
32	Sport Utility Vehicles	All wheel drive sport utility vehicles, such as a Chevy Equinox
81	Pickup Trucks	Full size pickup truck, such as a Ford 150
51	Dump Trucks	Standard tandem axle dump truck
37	Refuse Trucks	Rear and Side loader refuse truck
33	Maintenance Utility Vehicles/Tractors/Mowers	Tractor and mower
75	Trailers and Tailored Equipment	Utility trailer, flatbed trailer, enclosed trailer, mortar mixer, and trailer mounted generator
68	Box Truck/Cargo Vans	Cargo and medical vans
32	Passenger Vans	Van with at least seven and up to 12 passenger seats used for the transport of passengers.
110	Maintenance Equipment	Plows, snow blowers, leaf vacuums, and golf carts
6	Forestry Equipment	Log loader, stump grinder, and wood chipper
20	Other Trucks	Aerial bucket truck, box and platform truck, and stake body truck
11	Asphalt repair equipment	Asphalt patcher, miller, hot box, paver, and roller
20	Loaders	Loader and skid steer loader
18	Other Industrial Equipment	Excavator, street sweeper, catch basin tanker, and forklift



Fleet processes over 2,900 repair orders per year with a General Fund budget of \$1,597,984 and an Enterprise Fund budget of \$1,500,061 (relating to Solid Waste)¹, and a staff of 14 positions, consisting of 9 mechanics, 2 storekeepers, a foreman, an assistant fleet manager, and a fleet manager, at its facility located at 70 Tapley Street. Fleet has a stockroom for vehicle parts and supplies, which is manned by the storekeepers. The City's fueling depot is located at 70 Tapley Street. The Springfield Housing Authority and Springfield Business Improvement District are allowed to use the City's fueling depot. For FY2022, the City dispensed 576,056 gallons of fuel combined for both Regular and Diesel Fuel with a value of \$1,814,615, or an average of \$3.15 per gallon. Fleet bills these entities and Departments for their consumption of fuel.

OBJECTIVES, SCOPE, AND METHODOLOGY

Objectives

The primary objective of this audit was to determine if there are adequate controls over Fleet operations.

Scope

Our audit covered the period from fiscal year 2022 to September 2023. This audit did not include vehicles and equipment assigned and used by the SPD and Fire Departments. Also, footage from cameras which are deployed at the fueling depot prior to August 11, 2022 was unavailable and could not be tested by the OIA.

Methodology

To accomplish our objectives, we performed the following audit procedures:

- Interviewed employees to gain an understanding of the operational processes and procedures.
- Reviewed applicable City policies and procedures and relevant state and federal laws and regulations.
- Reviewed applicable contracts.
- Compared vehicle information in Cartegraph, the City's Fleet system, to the Massachusetts Registry of Motor Vehicles.
- Judgmentally selected a sample of 143 vehicles in Cartegraph as of September 1, 2023 and verified their existence by conducting a physical inventory at Departments.
- Judgmentally selected a sample of 10 invoices for fleet parts and accessories from FY22 and FY23 to determine if there were still on hand as of September 16, 2022.
- Analyzed fuel usage transactions.
- Judgmentally selected a sample of 17 fueling transactions in Gas Boy, the City's fuel management system, and reviewed the transactions on camera footage.
- Compared employees with vehicle fobs in Cartegraph to those employees who received a fuel stipend and fuel expense reimbursement in MUNIS, the City's accounting system.
- Judgmentally selected a sample of 20 maintenance transactions and reviewed work orders and the manufacturer's recommended maintenance schedule.
- Obtain a list of employees who are assigned commercial vehicles and reviewed their commercial driver's licenses.
- Obtained inspection reports for hoists mounted to trucks.



- Obtained and reviewed a list of employees with take-home vehicles from Fleet, Payroll and Human Resources (HR) Departments.
- Determine that take home vehicles policies and procedures relating to fringe benefits exist and are compiled with.
- Verify and confirm that all employees who qualify for fringe benefits have been accurately identified.
- Performed other tests deemed as necessary.

Our findings and related recommendations are in the following sections of the report. Fleet was given the opportunity to respond to the findings. The departmental responses are incorporated verbatim into the report following each finding and recommendation.

Finding/Recommendation Priority Ranking Definitions and Criteria

The OIA’s assignment of a ranking to findings and recommendations is intended to provide guidance to management on how to prioritize corrective actions. We consider both the effect and the likelihood of unimplemented recommendations in our categories. The OIA classifies the priority levels to be considered by Management when addressing findings and implementing recommendations as follows:

High	Internal control weaknesses and compliance issues that require immediate corrective action.
Moderate	Internal control weaknesses and compliance issues that require prompt corrective action. Short term action is appropriate, e.g., less than 90 days.
Low	Internal control weaknesses and compliance issues that warrant timely corrective actions. Action with 360 days is deemed appropriate.



FINDINGS AND RECOMMENDATIONS

Finding No.	Finding	Finding Description	Recommendations	Priority Ranking	Management Response
1.	Automated controls for limiting the dispensation of fuel is not in effect for all issued fuel fobs.	<p>Fleet uses a fuel management system, GasBoy, to dispense fuel at its fueling station. Each authorized employee is issued a fuel fob, which assigns the vehicle or gas can to the employee. When obtaining fuel, the employee swipes the fuel fob by the fuel dispenser and is required to input the current odometer reading from their vehicle. The fuel management system has a built-in control to limit the amount of fuel that can be dispensed since the vehicle's last fill up, based on the miles driven (350 miles) or specific hours for equipment. If the employee inputs the mileage that is outside the range in GasBoy, then the system does not dispense fuel. They are required to see Fleet to reprogram the fuel fob.</p> <p>Fleet indicated that the mileage reported in GasBoy is used for preventative maintenance service request on vehicles by Fleet.</p> <p>Our review of the Fuel report for June 2022 showed that this built-in control was not in effect for 27 issued fuel fobs. We noted that fuel transactions involving these fuel fobs contained problematic/nonsensical mileage readings, e.g., current mileage reading was less than the beginning mileage reading (as shown in Exhibit 1) and/or there was no beginning odometer readings (Exhibit 2), which were not flagged by Fleet for Departments to research.</p>	<p>We recommend the following that the Fleet Manager:</p> <ul style="list-style-type: none"> Review all fuel fob settings to ensure a built-in control to limit the amount of fuel that could be dispensed is enabled. Review Monthly Fuel Reports and identity problematic mileage readings for Departments to research. Issue a memo to employees reminding them to always enter mileage readings and to ensure they enter it accurately. 	High	<p>Fuel FOB setting have been reviewed and it has been determined that the assigned maximum fuel amount is properly in place.</p> <p>Within the City, there are a number of aged vehicles / pieces of equipment that do not have either accurate or non-operating odometers. In each case, these vehicles are scheduled to be either scrapped or traded in during a purchase cycle, which we are in right now. It is not economically feasible to spend funds on vehicles that will be traded in.</p> <p>Also, there are a number (20+/-) police department FOB's that are used for vehicles for undercover operations that have the odometer reading suppressed for fuel dispensing as it is impossible to tie a vehicle to a particular FOB and / or vehicle.</p>



Exhibit 1

Vehicle Number: 41014		2012 Ford E-250 3040	
<u>Date</u>	<u>Time</u>	Beginning Reading: 107381	<u>Odometer</u>
5/22/2022	11:18:26 AM		77667
MPG= -1176.23	Cost Per Mile= \$0.00	Total Miles=	-29714

Negative Mileage

Exhibit 2

Vehicle Number: 35167		2017 Ford Transit	
<u>Date</u>	<u>Time</u>	Beginning Reading:	<u>Odometer</u>
6/23/2022	11:28:36 AM		31659
MPG=	Cost Per Mile=	Total Miles=	

Missing Beginning Odometer Reading

The practice of allowing employees to obtain an unlimited amount of fuel and the lack of management oversight could expose the City to the risk of potential fraud or abuse. Furthermore, inaccurate mileage readings on a vehicle in GasBoy could trigger unwarranted preventative maintenance requests.

The DPW reviewed the exhibits included in the audit and have determined that the issues related to the non-police vehicles have been reviewed and rectified.

DPW will review the procedure for the monthly sign-off of fuel consumption reports by the City Departments. The DPW will re-confirm that the current individual department contacts are up to date, and provide additional language in the monthly fuel reports.

DPW will also review to determine if an employee's name can also be added to the reports in order to better identify who a particular FOB is assigned. This will only address a very small portion of the number of vehicles in the City, as most vehicles are not always assigned to the same person. As an example, in the DPW's solid waste division, all side load and rear load trucks are not assigned to any one individual, and employees could be driving different trucks every day.



2. Cameras deployed by fueling depot are not functioning.

We requested to review camera footage from fueling transactions in August 2022 and July 2022. We were told by the City's Information Technology (IT) Department that they could not retrieve camera footage prior to August 11, 2022 due to a software glitch in the video surveillance system. The IT department could not tell us when this issue first occurred and indicated that the issue has since been resolved.

However, during our review of video footage of 17 fueling transactions that transpired on August 12 through 30, we noted that one of the three cameras deployed at the fueling depot malfunctioned on August 19 and 29 (see Exhibit 3).

Exhibit 3



Non-functioning Camera

Non-functioning cameras at the City's fueling depot and the lack of management oversight increase the risk that fraud and abuse go undetected and raise safety concerns.

We recommend that the IT Department following:

- Systematically inspect the cameras throughout the year at the City's fueling depot to ensure they are working properly.
- Replace the malfunctioning camera at the fueling depot.

In addition, we recommend that the Fleet Manager routinely spot check and monitor video footage for content, time accuracy, and functionality.

High

The entire camera system on the exterior of the 70 Tapley Street buildings are severely antiquated. Due to file storage limitations that were in place at the time of the original camera installation, the cameras are "motioned activated" thus do not pick up a lot of activity, especially during non working hours and especially farther away from the cameras. We would recommend the following be completed:

- Additional exterior building lighting should be added as many areas are very dark at night and vehicle types and / or license plates cannot be read.
- The cameras should be replaced with "quad" style cameras that are active 24/7/365.
- DPW will work with IT to determine if additional locations at the Tapley Street facility are required.

Example - Recently a city vehicle on Sunday evening performed some illegal dumping at 70 Tapley Street. Due to the age of the cameras



					and the poor lighting, we could not make out the vehicle number or license plate.
3.	The management of inventory pertaining to vehicles and fleet part/accessories could be improved.				
a.	There are no inventory records for fleet parts and accessories stored at the stock room.	<p>During a tour of the stock room of Fleet on September 16, 2022, we noted that fleet parts and accessories are not recorded as an asset using an inventory management system. The employees in the stock room could not indicate the value of the parts and accessories kept on hand in the stock room. They acknowledged that for Fiscal Year 2022 total expenditures on fleet parts and accessories amounted to \$739,684.</p> <p>To gain a better understanding of the value of the parts and accessories observed during the tour, the OIA judgmentally selected 10 invoices from FY2022 through August 2022 and noted that four invoices, totaling \$37,410, were still on hand as of the tour date. The items on the other six invoices were consumed prior to our tour date.</p> <p>The lack of inventory records increases the risk for fraud.</p>	<p>We recommend the following:</p> <ul style="list-style-type: none"> • Implement an inventory management system for fleet parts and accessories. • Perform regularly inventory counts, compare to inventory records, and investigate differences. • The Fleet Manager review the results of the inventory counts. 	Moderate	<p>The DPW will explore various vehicle inventory control systems, such as Cartegraph, to ensure the proper tracking of inventory.</p> <p>Based upon the amount of inventory that passes through the garage on a daily / weekly basis, financial tracking may be difficult, as prices for items seem to change on a daily basis.</p>
b.	An inventory of Department held fleet is not performed.	<p>Fleet uses Cartegraph, a Fleet software application, to track and maintain its fleet. We performed a physical inventory count of the fleet throughout the City. We judgmentally selected a sample of 143 vehicles/equipment recorded in Cartegraph as of September 1, 2022 and verified their existence. Based upon the physical inventory, we noted the following:</p>	<p>We recommend the following:</p> <ul style="list-style-type: none"> • Provide a fleet listing to custodians annually, and require City departments perform an annual physical inventory 	Moderate	<p>This is one of the reasons why regular Vehicle Review committee meeting should be held.</p> <p>Currently the DPW relies on other departments' managers for the proper assignment of vehicles. As required in the current manual, any change in</p>



		<ul style="list-style-type: none"> • 30 vehicles, which were recorded as being in the custody of one department, were located at another department, • Three trailers were not recorded in Cartegraph, • Five vehicles and one trailer were not functional, and • Three trailers and one vehicle could not be accounted for. <p>The OIA noted that the missing trailers and vehicle were older than 10 years and deemed to be fully depreciated.</p> <p>Accurate fleet data reduces the risk of loss or theft and provides information for the City to assess operations and vehicle turnover.</p>	<p>of their fleet and notify Fleet of any variances.</p> <ul style="list-style-type: none"> • Dispose of non-functioning vehicles and equipment (see recommendation in Finding 4c). 		<p>vehicle assignments must be reported to the Fleet Division immediately, and obviously, that is not happening.</p> <p>Over the years, we have found that certain departments purchase certain pieces of equipment (mowers, trailers, etc.) with Department funds and the DPW is not notified of the purchase.</p> <p>DPW will develop a methodology for confirmation of vehicle ownership / control that will be reviewed every 6 months as part of the committee.</p>
c.	<p>A usage analysis is not performed to determine the appropriate fleet levels at each City department.</p>	<p>According to the City's Motor Vehicle Policy, "every city department's motor vehicle fleet will be reviewed to ensure proper size and function, including vehicle utilization to help determine appropriate operational needs, identify any excess inventory that may exist, and identify deficits that may exist. Inventory levels and issues will be communicated to Departments."² During the audit, we noted that a fleet usage analysis was never performed. Additionally, we noted that there was no criteria established for evaluating fleet utilization. Without established utilization criteria that are regularly reviewed, the City cannot ensure that its fleet size and usage is appropriate. Thus, the City may not have an opportunity to realize cost savings if underutilized vehicles were eliminated or if vehicle usage was optimized.</p>	<p>We recommend the following:</p> <ul style="list-style-type: none"> • Fleet establish utilization criteria for all asset types, annually compare its fleet usage against the criteria and provide its analysis to the Motor Vehicle Review Committee for their review. 	Low	<p>This item is why the Vehicle Review Committee is supposed to meeting quarterly to discuss these specific issues as well as address short-term and long-term purchasing planning.</p>

² City of Springfield Policies and Procedures Governing City Motor Vehicles, Updated 11/30/2021, Section 1.11



		<p>Like other municipalities, the Fleet may want to establish a minimum mileage as a criteria in determining vehicle utilization efficiency. For the audit period, we noted that at least 35 vehicles were driven less than \$3,000 miles which Fleet may want to analyze in more detail to determine if these vehicles are needed (a full mileage analysis for the audit period was not performed).</p> <p>Without performing a usage analysis, the City could be carrying excessive inventory of vehicles that must be maintained and secured.</p>	<ul style="list-style-type: none"> The Motor Vehicle Review Committee review fleet utilization with Departments (see recommendation to Finding 5d) and work with them to adjust their fleet size accordingly. 		
4.	Data discrepancies in complimentary systems related to Fleet exist.				
a.	Take home vehicle lists are not reconciled.	<p>We noted several discrepancies with the data reported for take home vehicles between the take home fleet inventory list, which is maintained by Fleet, the payroll fleet fringe benefit list, and the City department’s take home vehicle list as follows:</p> <ul style="list-style-type: none"> 15 employees who were assigned a take home vehicle on the Fleet Inventory report (Fleet) were not assigned a take home vehicle according to the respective department. 13 employees who were assigned a take home vehicle on the Fleet Inventory report (Fleet) were not assigned a take home vehicle according to the HR Department. 12 employees who were assigned a take home vehicle according the respective department supervisor were not assigned a take home vehicle according to the HR Department. 13 employees who were assigned a take home vehicle according to the HR Department were not assigned a take home vehicle according to the respective department supervisor. 	<p>We recommend that the Fleet resolve the discrepancies as noted in this finding with the respective Departments, including HR.</p> <p>Additionally, we recommend that Fleet establish a central administrative oversight function to manage the reporting of take-home vehicles for payroll fringe benefits. The oversight function should include a reconciliation process to verify the take home vehicle data reported between Fleet,</p>	Moderate	<p>DPW will work with Payroll / HR and all other Departments to develop a more accurate accounting of take home vehicles.</p> <p>DPW will develop a protocol where vehicle take home lists are received and signed off by a department head a minimum of every six months to ensure that the vehicles are assigned properly.</p> <p>DPW will also coordinate with Payroll / HR at the end of the calendar year to determine if all of the proper employees filled out the required year end paperwork to show that proper tracking is occurring.</p>



		<p>Discrepancies can occur because there is no reconciliation performed between the fleet inventory report, payroll fringe benefit report, and the Department’s take home vehicle records. Fleet does not confirm the take home vehicle records with Department supervisors annually and obtain the payroll fringe benefit record from the HR Department. As such, there is no oversight to reconcile the employees reported for fleet fringe benefits to the employees assigned a take home vehicle.</p> <p>The Internal Revenue Service requires that personal use vehicles of a City vehicle be reported to the employee as income (fringe benefit)³, with which the City complies. However, due to the lack of reconciling the take home vehicle assignments, we noted the following potential errors in reporting the employee fringe benefit:</p> <ul style="list-style-type: none"> • 12 employees who used their vehicles for commuting did not have the fringe benefit included in their June 2022 pay. • 4 employees who did not have take home vehicles had the fringe benefit included in their June 2022 pay. 	<p>HR/Payroll and the Departments. The reconciliation process could include the following steps:</p> <ul style="list-style-type: none"> • Working with Departments and HR/Payroll in resolving the data discrepancies identified. • Verifying Take Home Vehicle assignments with Department supervisors annually. • Requesting a Fleet Fringe Benefit Report from Payroll annually. • Reconciling the payroll data to the Take Home Vehicle assignments in Cartegraph. • Submitting the reconciliation to the vehicle coordinators from each Department to certify that all reported take home vehicle 		<p>At this time, the DPW is only provided a Fringe Benefit Report for employees within our department. We will work with Payroll / HR at a minimum, to confirm that all take home vehicles are accounted for as a benefit.</p> <p>Benefits are calculated based upon the previous year’s vehicle usage. As an Example, Bob Houldson had a take home vehicle as an employee at DPW. In December of 2021, he filled out the required benefit paperwork. In January of 2022, Bob was promoted to the IT Dept. and no longer uses that DPW vehicle; however, his benefit will not be cancelled until he completed paperwork this December.</p>
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³ Internal Revenue Service Publication 15-B, Employer’s Tax Guide to Fringe Benefits



			<p>information is accurate and all employees still qualify for use of a take home vehicle.</p>		
<p>b.</p>	<p>Department vehicle rosters do not agree with Fleet vehicle assignments.</p>	<p>The Fleet grants access to the City’s fueling station through this issuance of fuel fobs based on approval from their supervisor. In accordance with best practices in internal controls, control of keys that allows authorized entry into a secure area is vitally important to ensure that integrity of the system is maintained.</p> <p>Currently, Fleet relies on Departments to inform them when employees’ job duties change. During the audit, we noted that Departments do not inform Fleet of personnel changes, as noted below:</p> <ul style="list-style-type: none"> • 33 terminated employees were classified as active in the Fleet System, and • 11 retired employees were classified as active in the Fleet System. <p>If Departments fail to inform Fleet that employees no longer require access to the fueling station due to changes in the employees’ job duties, the integrity of the system may be compromised. For example, if an employee transfers to a new Department, the employee’s new supervisor may not be aware that the employee had access to the City’s fueling station, and could still have access if their supervisor did not repossess the fuel fob prior to the transfer, and will not monitor the employee’s fueling transactions.</p> <p>When fuel fobs assigned to terminated employees are not deactivated, there is an increased risk that the fuel fob could potentially be used fraudulently.</p>	<p>To maintain the integrity of the system, we recommend Fleet regularly and at least annually confirm with Departments authorized users (see recommendation in Finding 5c).</p> <p>Also, the City, with the input of the HR Department, should evaluate additional, practical steps to ensure timely communication to Fleet regarding employee status changes for prompt updates to Gasboy, DPW’s fuel management system. The City, with the input of HR, should discuss a practical mechanism to include fuel fob deactivation as part of the employee status</p>	<p>Moderate</p>	<p>As previously mentioned, DPW will develop a methodology for confirmation of vehicle and FOB ownership / control that will be reviewed every 6 months as part of the vehicles review committee processes.</p> <p>If it is determined that department that required information is not provided to the DPW in a timely manners, the DPW has the option of disabling FOBs until proper information is provided.</p>



			change process. A mechanism should also be considered to inform Fleet of any organizational changes that affect the use of fuel fobs.		
c.	City vehicle registrations in Cartegraph are not reconciled to the Massachusetts Register of Motor Vehicles database.	<p>According to the Massachusetts Registry of Motor Vehicles (RMV), vehicles and trailers that are driven in Massachusetts are required to be registered with the RMV4. We noted that four vehicles and one trailer were not registered with the RMV. According to Fleet, they registered these vehicles and trailers around the time of their purchase, but subsequently canceled their registration once they determined that these vehicles and trailers were not used on public roads.</p> <p>Furthermore, we noted ten vehicle and ten trailer registrations per the RMV that were not on the fleet inventory as of September 1, 2022. According to Fleet, they disposed of these vehicles and trailers. However, Fleet was unable to produce the work orders or other decommissioning documentation, such as trade-in allowances on new purchase agreements, and scrap metal receipts, to substantiate that the vehicles were disposed of.</p> <p>The affected vehicles and trailers as noted in this finding, the ages of which ranged from 9 years old to 52 year old, were deemed to be fully depreciated.</p> <p>Accurate fleet data reduces the risk of loss or theft and provides information for the City to assess operations and vehicle turnover.</p>	<p>We recommend that Fleet perform the following:</p> <ul style="list-style-type: none"> • Regularly reconcile its fleet inventory listing to the RMV database. • Dispose of non-operating vehicles from its Fleet inventory. • Verify that all vehicle retirements are supported by decommissioning work orders and other supporting documentation, such as trade-in allowances on new purchase agreements and scrap metal receipts, prior to completing the vehicle retirement. 	Moderate	<p>The DPW will reconcile the issue surrounding non-registration of certain types of equipment within the City. It is true that vehicles that are not driven on public roads are not registered.</p> <p>The DPW has already removed from the DMV list any vehicles that are no longer part of our fleet, or are no longer in use. Vehicles that are scrapped and / or traded in are always removed from the DMV lists.</p> <p>The DPW will also reconcile with our Cartegraph systems the information surrounding the “decommissioning” of any vehicles that are removed from the fleet due to accident, trade-in, scrap, etc. to ensure that the proper information is in the system that tracks where that vehicle went once disposed by the City.</p>

⁴ MGL c.90, §2



5.	There were instances of non-compliance with the City’s Motor Vehicle Policy.				
a.	The City is not reimbursed for non-resident employee’s use of take home vehicles outside the City limits.	<p>The City’s Motor Vehicle Policy states that “non-resident employees who have take home vehicles with which they commute are required to reimburse the City for each mile traveled outside the City of Springfield’s borders, unless as otherwise provided by collective bargaining agreement. The reimbursement rate is the equivalent rate to the rate the city reimburses employees using their own personal vehicle for city business.”⁵ There is no such requirement for employees who reside in the City. We noted that this policy has not been enforced.</p> <p>We estimate that the City could potentially be reimbursed for approximately \$24,000 annually if the policy were enforced.</p>	<p>We recommend that the City enforce its policy regarding non-resident employee’s use of take-home vehicles, or alternatively amend its policy to remove the clause requiring non-resident employees to reimburse the City for commuting miles traveled outside Springfield’s borders.</p>	Moderate	<p>The Vehicle Review Committee will review a modification of the “benefit” for employees who reside outside of the City to a flat rate of \$25 per week. Once the committee reviews this item, as well as any other changes to the vehicle manual, the plan would be to enact the change for July 1, 2023.</p>
b.	Issuance of and Review of Monthly Fuel Reports do not comply with the Motor Vehicle Policy.	<p>In accordance with the Motor Vehicle Policy, “each Department will have the responsibility to review the monthly fuel report and return a signed copy of the report to the Fleet Manager indicating that the Department approves of the fuel usage. Also, every month a report will be generated that shows the personnel assignment of fuel fobs within each Department. Each Department will have the responsibility to review the report and return a signed copy of the report to the Fleet Manager (or designee) indicating that the Department approves of the fuel usage.”⁶ Based on our review of the May 2022 fuel report distributed to Departments, we noted the following:</p> <p>DPW is not including in their monthly fuel report, which is distributed to Departments, a list of employees who are assigned fuel fobs.</p>	<p>We recommend the following:</p> <ul style="list-style-type: none"> • Enforce its policy of requiring signature pages, confirming a Department’s review of the fuel usage report, and fuel container log sheets. • Include with its monthly fuel report a listing of those employees 	Moderate	<p>The DPW will re-coordinate with each and every department to ensure that the proper employees are being provided the fuel reports and signed off on and returned to the DPW.</p> <p>If it is determined that a department does not provide the proper signoff on fuel report, the FOBs for that department will be temporarily suspended until a proper review and sign off has taken place.</p>

⁵ City of Springfield Policies and Procedures Governing City Motor Vehicles, Updated 11/30/2021, Section 1.12, paragraph 7

⁶ City of Springfield Policies and Procedures Governing City Motor Vehicles, Updated 11/30/2021, Section 2.6.6



		<p>There was no designated individual at the SPD to whom the fuel report was distributed. Thus, Fleet did not know if the fuel reports at SPD were reviewed. Signature pages from Departments, indicating their review of the fuel usage reports, were not remitted to Fleet.</p> <p>Furthermore, the Motor Vehicle Policy states that, “fuel fobs for filling fuel container will be assigned to a specific foreman, who will be required to complete a gas container fill log sheet each time a fuel container is filled and remit the log sheet monthly to the Fleet Manager.”⁶ During the review, we noted that Departments who were assigned fuel fobs for gas containers were not remitting their log sheets.</p>	<p>who have been issued a fuel fob,</p> <ul style="list-style-type: none"> • Ensure that there is a contact person to whom the monthly fuel reports are distributed. 		<p>It is DPW’s position that the individual departments should be reviewing the fuel reports and be able to determine which employee uses a particular vehicle. There are many vehicles in the City that are not assigned to a particular employee---such as dump trucks in DPW. Each department should be able to perform the necessary monthly review.</p>
c.	<p>The Motor Vehicle Review Committee is a non - functioning body.</p>	<p>According to the Motor Vehicle Policy⁷, the Motor Vehicle Review Committee reviews Departments’ requests for new vehicle assignments for its employees and recommends which requests should be granted by the Mayor. During the audit period, we noted that there were 14 new vehicle assignments (among multiple Departments) for which the Motor Vehicle Review Committee neither reviewed nor recommended to the Mayor for his approval. Furthermore, in accordance with the Motor Vehicle Policy⁸, the Motor Vehicle Review Committee should meet periodically to review the need for assignment of a city owned vehicle to any employee and review Departments’ fleet inventory. For the audit period, we noted no such meetings were occurring. According to Director of Department of Public Works, the last Motor Vehicle Review Committee meeting occurred in 2015.</p>	<p>We recommend that Fleet revise the Motor Vehicle Policy to eliminate the Motor Vehicle Committee and transfer its responsibilities to the Fleet Director. Alternatively, if Fleet wants to keep the Motor Vehicle Committee as a body, then the Vehicle Review Committee should convene to review new</p>	Moderate	<p>The DPW is in full agreement that the Vehicle Review Committee should be reconvened. It would be my recommendation that the committee be part of the process that allows employees to be allowed to have take home vehicles.</p>

⁷ City of Springfield Policies and Procedures Governing City Motor Vehicles, Updated 11/30/2021, Section 1.12.1

⁸ City of Springfield Policies and Procedures Governing City Motor Vehicles, Updated 11/30/2021, Section 1.12.5 and Section 1.11



		The lack of management oversight increase the risk of errors and fraud.	vehicle/fuel fob assignment requests for the Mayor's approval and periodically review Department fleet levels.		
6.	The Fleet Manager at has conflicting duties.	<p>Segregation of duties is an important preventative control to prevent opportunities for misappropriation and human error.</p> <p>The Fleet Manager responsibilities include the following: Completing registration for new vehicles. Entering new vehicles in Cartegraph. Receiving new vehicles from vendors and dealerships.</p> <p>The ability to record the new vehicles in Cartegraph and to have access to new vehicles creates a conflict in responsibilities.</p> <p>One employee with these multiple responsibilities creates a potential opportunity to carry out and conceal errors and/or irregularities in the course of performing day-to-day activities.</p>	We recommend that the Finance Department at DPW review vehicle registration reports periodically from the RMV and compare the vehicle registrations to the Fleet listing report in Cartegraph and investigate any variances.	Moderate	DPW will review and develop a process to ensure that there are no conflicts of responsibilities to ensure that the vehicle data is correct.
7.	GPS is not installed on all vehicles.	<p>The Global Positioning System (GPS) used by the City can determine a vehicle's location, speed, braking, acceleration, and other vehicle metrics. Currently, only a few Departments have GPS deployed in their fleet. They are as follows: DPW, Facilities, and Code Enforcement (except management).</p> <p>The capability to monitor City vehicles on the GPS tracking system is both efficient and effective. The GPS system can</p>	We recommend that Fleet equip GPS on all vehicles.	Moderate	<p>The DPW is in the process of installation of GPS devices on all city vehicles, including non-bargaining employees.</p> <p>Over the last 4-6 months, the City's GPS carrier (Verizon) has required the upgrade of all current GPS devices from the</p>



		<p>identify the precise location of a vehicle, the duration and speed if moving, and length of time idle of a vehicle. The ability to give verifiable facts and to monitor employees' driving habits provides opportunities to improve accountability and transparency and possibly minimize maintenance and fuel costs.</p> <p>Without the use of GPS in vehicles, there is an increased risk that vehicles could be more prone to theft and used inefficiently and inappropriately.</p>			<p>3G network to 4G. The DPW has completed the swap out of all DPW vehicles, and are currently in the process of completing the vehicles with Building / Code, IT and Eco Dev.</p> <p>Once those vehicles are completed, we will work on Facilities and Parks Department vehicles.</p> <p>As of this fall, all unions within the City allow for the installation of GPS units, except for Police, Fire, Public Health Nurses and Libraries.</p> <p>DPW is currently working with each department to set up the hierarchy of access to the GPS system for review.</p>
8.	<p>Non-employees are allowed to drive city vehicles.</p>	<p>According to the Food Service Contract 2022008, Section 5.7, Sodexo shall provide transportation vehicles and equipment to be used in the program. Maintenance, fuel, insurance, and equipment for transportation shall be the sole responsibility of Sodexo. We noted that there are seven city vehicles that Sodexo uses for delivering food. Sodexo employees who drive City vehicles also obtain fuel from the City.</p> <p>Although, the Food Service Contract indicates that Sodexo drivers are covered by an automobile liability insurance of</p>	<p>We recommend that the City require that Sodexo comply with its contract by providing their own transportation, fuel and repairs, or amend the contract to allow Sodexo employees to use City vehicles and ensure adequate insurance coverage is obtained by Sodexo.</p>	Moderate	<p>Under no circumstances should any non-city employee ever drive a City owned vehicle.</p> <p>This will need to be remedied by January 1, 2023 or the fuel fobs for those vehicles will be disabled.</p>



		<p>up to \$1,000,000, the City could potentially be exposed to legal risks for accidents exceeding this coverage.⁹</p> <p>In FY2022, the City could have potentially saved approximately \$10,000 in fuel and service costs if Sodexo had provided their own transportation for delivery of food to the district's schools in accordance with the contract.</p>			
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⁹ Food Service Contract 2022008, Section 7.3, A., iii