

METROPOLITAN COUNCIL NON-REVENUE FLEET MANAGEMENT

PROGRAM EVALUATION AND AUDIT

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METROPOLITAN
C O U N C I L

June 19, 2019

INTRODUCTION

Background

Non-Revenue vehicles are utilized by the Council to support the day-to-day operations, maintenance, service, and deliveries of the organization. The non-revenue vehicle pool has a diverse group of vehicles, which includes squad cars, maintenance vehicles such as dump trucks and yard tractors, maintenance trucks and cars used at various facilities and pool cars used by the council employees. To ensure accountability and good governance of our resources and fulfill our public duties for transparency; the Council is responsible for putting in place adequate controls and for management of these vehicles according to applicable Council, state, federal and local regulations.

Purpose

In accordance with the Thrive MSP 2040 Principles of Accountability and Integration and the Outcomes of Stewardship, Prosperity and Sustainability; the objective of this audit was to determine that the processes of purchasing fuel and maintaining non-revenue fleet, are in accordance with applicable federal, state, local, and Council requirements.

Scope

This review covered activities specific to the maintenance and purchase of fuel for non-revenue vehicles for the calendar years 2016 and 2017.

Methodology

The following methods of inquiry were used to review policies and procedures regarding the purchase of fuel and maintenance of non-revenue vehicles within MTS, ES fleet services' and Metro Transit non-revenue department.

- Interviews with staff from:
 - Asset Management
 - Bus Maintenance
 - Metro Transit Non-Revenue Department
 - Facilities & Fleet Management
 - Fleet Services MTS
 - Fleet Services ES
- Review a sample of maintenance and fuel logs.
- Consideration of Thrive MSP 2040 Outcomes and Principles while reviewing the management of non-revenue vehicles.

OBSERVATIONS

Audit found both MTS and ES fleet services generally followed the SOP for tracking fuel purchases but found the following issues with Mileage-log reports provided by Metro Transit.

Mileage-log reports provided by Metro Transit are not always clear

The Metro Transit standard operating procedure (SOP) for reporting mileage requires the employee to save the receipt when purchasing fuel and keep it in the logbooks with signature and mileage recorded at the time of fueling. Audit sampled 59 vehicles out of 283 and reviewed fuel logs totaling to 1,541 transactions. Out of these 1,541 transactions, Audit found 46% percent of the transactions were lacking original or copies of the receipts, 9% of the receipts weren't logged in the mileage form.

Audit also found Mileage log form for Engineering and Facilities to have a different format than other Metro Transit mileage log forms and found that these did not have review signatures.

A WEX card is assigned to each non-revenue vehicle and this card is used to purchase fuel. During our review, we found an instance where an employee used their personal credit card to fuel a vehicle. This usually happens when there is an issue with the WEX card. Audit could not find supporting documentation for this transaction for reimbursement purpose. Audit could not find language regarding use of personal cards in Metro Transit's policies and procedures, including Mileage-Log SOPs. The mileage log SOP was last updated in June 2013 and is outdated.

Recommendation

1. **(Essential) — Metro Transit should incorporate it's 'Mileage Log SOP' to adequately track fuel purchase and review and update its policies and SOPs to reflect the actual day to day process.** Metro Transit management should discuss and decide on requirements regarding receipts and update its policies accordingly. Metro Transit should work towards keeping its mileage log forms uniform to avoid any confusion. Policies and procedures regarding use of personal cards should be incorporated in the updated SOPs.

Management Response: Metro Transit, Maintenance agrees with our recommendation and will be reviewing their current SOP and adjusting it to align with today's business needs along with ensuring it conforms to the Council policy for managing the non-revenue fleet fuel purchases and fuel log reports.

Staff Responsible: Director of Metro Transit, Maintenance and Assistant Director of Metro Transit Bus Maintenance

Timetable: End of Q4, 2019

Thrive 2040 Principles: Accountability

CONCLUSIONS

Overall policies and procedures, including SOPS for mileage logs are followed by the Council employees. However, it is best practice to periodically review and update these to match the departments requirements. Metro Transit should continue to work towards keeping the reports uniform within the department to avoid confusion. Directives regarding use of personal cards could be included for proper oversight.

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Appendix

Program Evaluation and Audit recommendations are categorized according to the level of risk they pose for the Council. The categories are:

- **Essential** — Steps must be taken to avoid the emergence of critical risks to the Council or to add great value to the Council and its programs. Essential recommendations are tracked through the Audit Database and status is reported twice annually to the Council's Audit Committee.
- **Significant** — Adds value to programs or initiatives of the Council but is not necessary to avoid major control risks or other critical risk exposures. Significant recommendations are also tracked with status reports to the Council's Audit Committee.
- **Considerations** — Recommendation would be beneficial but may be subject to being set aside in favor of higher priority activities for the Council or may require collaboration with another program area or division. Considerations are not tracked or reported. Their implementation is solely at the hands of management.
- **Verbal Recommendation** — An issue was found that bears mentioning but is not sufficient to constitute a control risk or other repercussions to warrant inclusion in the written report. Verbal recommendations are documented in the file but are not tracked or reported regularly.

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