



AGENDA MEMORANDUM

Action Item for the Audit Committee Meeting of July 14, 2020

DATE: July 14, 2020
TO: Greg Smith, Audit Committee Chairman
FROM: Kimberly L Houston, Interim City Auditor
KimberlyH@cctexas.com
361-826-3661

AU18-F04 Fleet Maintenance – Allocations and Fuel Billing

CAPTION: Motion to accept AU18-F04 Fleet Maintenance – Allocations and Fuel Billing follow-up report.

PURPOSE: Discuss follow-up results of prior audit recommendations.

BACKGROUND AND FINDINGS: In accordance with the 2019 Annual Audit Plan, we conducted a follow-up of the Fleet Maintenance – Allocations and Fuel Billing audit dated July 10, 2017. This report is in conformity with the *Code of Ordinances, Chapter 12 ½ City Auditor, Section 6 Follow-up on audits.*

The objective of the original audit was to determine if fleet fuel expenses were being appropriately budgeted and allocated to departments. The original report concluded that fleet fuel expenses are not appropriately budgeted, and allocation methodologies could be improved.

The original audit contained seven recommendations. Management accepted these recommendations and agreed to make appropriate changes in their processes and instructions. Management asserted that two of seven recommendations were implemented, and we concur. Audit will follow-up on the remaining five recommendations at a later date as we recognize new city management has implemented new policies and procedures.

Management agrees with the conclusions of this report and we would like to commend them for their assistance during this process.

ALTERNATIVES: The Audit Committee may reject all or part of this follow-up report.

FINANCIAL IMPACT: N/A

FUNDING DETAIL: N/A

RECOMMENDATION: Staff recommends the Audit Committee accept this follow-up report as presented.

LIST OF SUPPORTING DOCUMENTS: AU18-F04 Fleet Maintenance – Allocations and Fuel Billing follow-up report