

Agency Name	Department of Transportation
Audit Name	Fleet Management
Audit Period	November 2014
Status Report Date	September 14, 2020

Summary of Audit Observations/Findings					
Number	Observation Title	Status [place X in status column]			
		Unresolved	Partially Resolved	Substantially Resolved	Fully Resolved
1	Periodically Review Fleet Size and Composition		X		
2	Review Controls over DOT Fleet Purchases				X
3	Adopt Formal Guidelines and Review Fleet Utilization		X		
4	Track Utilization of Rented Equipment				X
5	Consistently Report Non-Business Mileage	X			

Observation 1: Periodically Review Fleet Size and Composition

Summary of Finding: We recommend the DOT periodically conduct a right-sizing analysis to determine whether divisions and bureaus have the appropriate number and mix of vehicles and equipment to fulfill their mission. The analysis should include identifying any changes to the DOT's mission and transportation system, and whether efficiencies can be gained by employing alternate types of equipment.

Current Status: Partially Resolved

The newly hired Fleet Manager has been reviewing the work of the Department's Equipment Needs Committee (ENC) and is creating a division/bureau fleet summary template for the ENC to review and approve. The Department will reconvene the ENC and will develop a process for evaluating the number, mix and alternative types of equipment. At this time, the Department's focus has been on setting up the overall Work Order, Fleet Management & Inventory (WOFI) System which will ultimately assist in maximizing fleet utilization efforts.

Observation 2: Review Controls over DOT Fleet Purchases

Summary of Finding: The Legislature may wish to consider whether the controls it has placed over DOT fleet purchases encompass all the bureaus and types of equipment the Legislature wants reviewed.

Current Status: Fully Resolved

The Department worked within the budget development process and eliminated a budget footnote that required the Capital Budget Oversight Committee and Governor and Council to approve an acquisition plan prior to any purchases. This elimination streamlines the timeline to purchase fleet units. In the 2018-2019 Budget, the budget footnote that requires the Department of Administrative Services to approve all equipment purchases was changed to include only leases or lease purchases.

The Legislature has not taken any other action to alter the controls over DOT purchases. The Department considers this item fully resolved.

Observation 3: Adopt Formal Guidelines and Review Fleet Utilization

Summary of Finding: We recommend DOT management:

- Establish formal annual utilization guidelines in order to better manage its fleet;
- Analyze utilization at a Department-wide level to determine whether opportunities exist to increase utilization of its fleet; and
- Explore ways to increase cross-utilization of equipment.

Current Status: Partially Resolved

The Department is working to implement a Work Order, Fleet Management, and Inventory (WOFI) System. In the meantime, a historical report of fleet utilization in FY2017, FY2018, and FY2019 has been developed and is under review by management. The Department is also developing a report to compare historical utilization with FY2020 utilization, which will be available for leadership review.

Utilization targets will be evaluated and adjusted by the Equipment Needs Committee (ENC). Mechanical Services staff continue to collect, assemble, and distribute fleet utilization data for leadership review.

Observation 4: Track Utilization of Rented Equipment

Summary of Finding: We recommend DOT management track the number and usage of all its rented equipment with one system.

Current Status: Fully Resolved

NHDOT made changes to its MATS software to track all rented equipment. The Department currently reports to Governor and Council annually all rented equipment expenses by vendor.

Observation 5: Consistently Report Non-Business Mileage

Summary of Finding: We recommend the DOT ensure all of its bureaus are interpreting DAS and DOT reporting of non-business miles policies in a consistent manner, including reviewing the appropriateness of allowing:

- The Bureau of Turnpikes to report non-business miles from home to when employees first enter the turnpike system, instead of when they reach their assigned work shed; and
- Bureaus to modify the definition of non-business miles.

We also recommend the DOT work with the DAS to determine the appropriateness of reporting all mileage of field-based positions as non-business miles under current policies.

Current Status: Unresolved

The Department continues to await update from Administrative Services to the Travel and Business Mileage Manual of Procedure (MOP) and will implement the recommended changes consistently throughout the organization once the revised guidance is received.
