

DeKalb



County

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Department of Finance

Internal Audit and Licensing

Date: December 14, 2009

TO: Greg Brake, Interim Associate Director, Fleet Maintenance Department

FROM: Deputy Director of Finance, Internal Audit & Licensing (DIAL)

SUBJECT: 2009 – Public Works, Fleet Maintenance
RE: OSR Vendor Audit – Nalley Motor Trucks

General Information

Nalley Motor Trucks is a vendor for the Fleet Maintenance Division in the Public Works Department. They are the awardees of contracts #657659 and #715262-08 for the purpose of providing Outside Repair Services for medium and heavy duty trucks, manufactured by International, Peterbilt, Isuzu, and Hino. DeKalb County secures the services of Nalley Motor Trucks in the event any of the following situations arise; (a) highly technical repairs that cannot be done in house, (b) work that can be provided more economically by a vendor (c) work that requires the use of specialty equipment (d) work overloads, (e) lengthy repairs, and (f) dangerous repairs.

Internal Audit conducted a compliance audit of the aforementioned contracts to ensure that Nalley Motor Trucks was in compliance with the terms and conditions set forth in the agreement with DeKalb County. Payments totaling approximately \$414, 805 were paid to Nalley for Outside Repair Services under the review period January 1, 2008 through December 31, 2008.

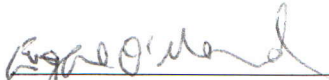
The Fleet Maintenance Division played an integral part in the performance of the compliance audit, through the utilization of their software system named Faster. Faster is used to record and track transactions that relate to outside repairs. The system has four components which include the work order process, system administration, asset management and fuel management. The review focused mainly on the work order process for testing of Out Side Repair Services.

Purpose and Scope

The purpose of our audit was to determine if Nalley Motor Trucks complied with the terms and conditions of contracts # 657659 and #715262-08 for Outside Repair Services provided to the County. Based on the work performed during the preliminary assessment, the scope of our review covered the operation of Fleet Maintenance outside repair service from January 1, 2008 through December 31, 2008. We ensured that requisitions and purchase orders were issued and entered in the Oracle System. A review of work orders, estimates, invoices, checks and the flat rate electronic system was performed. Discussions and interviews were held with appropriate Fleet Maintenance and Nalley personnel. Also, additional audit tests and procedural reviews were conducted as deemed necessary.

Opinion

In our opinion, Nalley Motor Trucks satisfactorily complied with the terms of the contracts.



Eugene O'Mard

EO/CH

Dr. Michael J. Bell, Chief Financial Officer

William Rhinehart, Deputy Chief Operating Officer for Infrastructure

Robert Gordon, Fleet Service Superintendent, Fleet Maintenance