



U.S. ENVIRONMENTAL PROTECTION AGENCY

OFFICE OF INSPECTOR GENERAL



Spending Taxpayer Dollars

EPA's Fleet Management Program Needs Improvement

Report No. 15-P-0001

October 6, 2014



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Abbreviations

AST	Automotive Statistical Tool
EPA	U.S. Environmental Protection Agency
FAST	Federal Automotive Statistical Tool
FMR	Federal Management Regulation
GAO	Government Accountability Office
GSA	General Services Administration
NEIC	National Enforcement Investigations Center
OARM	Office of Administration and Resources Management
OCEFT	Office of Criminal Enforcement, Forensics and Training
OIG	Office of Inspector General
OMB	Office of Management and Budget
U.S.C.	U.S. Code
FY	Fiscal year

Cover photo: Picture of an EPA fleet vehicle taken during the audit. (EPA OIG photo)

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At a Glance

Why We Did This Review

The U.S. Environmental Protection Agency (EPA), Office of Inspector General (OIG), initiated this audit to determine whether the EPA's fleet program is in accordance with federal fleet requirements for vehicle operations, acquisitions and utilization. Federal agencies are to use government vehicles to fulfill their mission. The Federal Management Regulation sets forth requirements governing the economical and efficient management and control of motor vehicles that the government owns, leases commercially, or leases through the General Services Administration fleet.

This report addresses the following EPA goal or cross-agency strategy:

- *Embracing EPA as a high-performing organization.*

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The full report is at: www.epa.gov/oig/reports/2015/20141006-15-P-0001.pdf

EPA's Fleet Management Program Needs Improvement

What We Found

The EPA's oversight of its fleet management program needs improvement. The OIG identified three areas that reinforce the need for more oversight:

- The EPA has not finalized or issued guidance documentation to manage the fleet in over 5 years.
- Fleet managers were not following program requirements and federal regulations for vehicle emission testing, tracking vehicle usage, and ensuring operator responsibilities.
- The EPA lacks documentation to support its approval of law enforcement vehicles in home-to-work status.

If oversight of the EPA's fleet is not improved, the \$6 million-per-year program could be ineffective and inefficient in supporting the agency's mission and reporting data to the federal system, and could place taxpayer funds at risk.

Without adequate oversight of the fleet program, the agency is not ensuring that the \$6 million-per-year program is efficient and effective to perform the agency's mission, and is placing taxpayer funds at risk.

We also found that the EPA should increase monitoring of data within the agency's fleet information system, known as the Automotive Statistical Tool (AST). We identified missing, incomplete or incorrect information in the fleet system. In addition, user data input from one report or screen in the AST is not reported consistently in other system reports. The EPA has not developed or issued an AST manual or a list of procedures to ensure users correctly input information into the system. The AST-programmed data checks are not effective in identifying differences in varying system reports. If data in the EPA's fleet information system is not accurate, the agency is at risk of reporting errors to the federal information system.

Recommendations and Planned Corrective Actions

The OIG recommended that the Assistant Administrator for Administration and Resources Management:

- Finalize and issue the Fleet Management Manual to ensure that fleet managers operate programs within the agency's policies and procedures.
- Require fleet managers to perform vehicle emission testing, use a tracking system for vehicle usage, and require operators to acknowledge responsibilities.
- Require fleet managers with law enforcement vehicles to confer with the Office of Administration and Resources Management to ensure the agency has an acceptable level of documentation to meet reporting requirements.
- Develop and issue an AST manual or a list of procedures for users to help ensure data input is correct in the system.

The agency agreed with our recommendations and provided corrective actions.



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C. 20460

THE INSPECTOR GENERAL

October 6, 2014

MEMORANDUM

SUBJECT: EPA's Fleet Management Program Needs Improvement
Report No. 15-P-0001

FROM: Arthur A. Elkins Jr.

A handwritten signature in black ink, appearing to read "Arthur A. Elkins Jr.", is written over the printed name.

TO: Nanci Gelb, Acting Assistant Administrator
Office of Administration and Resources Management

This is our report on the subject audit conducted by the Office of Inspector General (OIG) of the U.S. Environmental Protection Agency (EPA). This report contains findings that describe the problems the OIG has identified and corrective actions the OIG recommends. This report represents the opinion of the OIG and does not necessarily represent the final EPA position. Final determinations on matters in this report will be made by EPA managers in accordance with established audit-resolution procedures. The office responsible for implementing the recommendations is the Office of Administration and Resources Management's Office of Administration, Facilities Management and Services Division.

Action Required

In accordance with EPA Manual 2750, your office provided acceptable and complete planned corrective actions in response to OIG recommendations. All recommendations are resolved and no final response to this report is required.

We will post this report to our website at <http://www.epa.gov/oig>.

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Chapter 1

Introduction

Purpose

The purpose of this assignment was to help the U.S. Environmental Protection Agency (EPA) embrace its cross-cutting strategy to be a high-performing organization. The audit objective of the Office of Inspector General (OIG) was to determine whether the EPA's fleet program operates in accordance with federal fleet requirements for vehicle operations, acquisitions and utilization.

Background

Federal agencies are to use government vehicles to fulfill their mission. As part of our audit, we relied on specific provisions of the Federal Management Regulation (FMR), Subchapter B, Part 102-34, titled *Motor Vehicle Management*. This federal regulation sets forth requirements governing the economical and efficient management and control of motor vehicles that the government owns, leases commercially, or leases through the General Services Administration (GSA) fleet. All executive agencies are required to comply with the provisions of this part. We reviewed several subparts of this regulation, including Subpart A, *General Provisions*, which identifies the motor vehicles that are covered and not covered by this subpart. Section 102-34.20(d) provides that motor vehicles regularly used by an agency to perform investigative, law enforcement or intelligence duties are subject to only Subpart D, and Subpart J of the subchapter.

We also reviewed Subpart D, *Official Use of Government Motor Vehicles*; Subpart F, *Scheduled Maintenance of Motor Vehicles*; and Subpart J, *Federal Fleet Report*.

The FMR requires the establishment of a fleet management information system that identifies and collects accurate inventory, cost and usage data that covers the vehicle lifecycle. We noted that the Government Accountability Office (GAO) publication, *Standards for Internal Control in the Federal Government* (November 1999), provides that application controls are designed to help ensure completeness, accuracy, authorization and validity of all transactions during application processing. An application control is designed to cover the processing of data within the application software. According to the Office of Management and Budget (OMB) Circular A-123, "internal control is an integral component of an organization's management" that provides reasonable assurance that the organization is achieving the objective of "effectiveness and efficiency of operations."

During our audit we also reviewed the Office of Criminal Enforcement, Forensics and Training (OCEFT) policy, titled *Government-Owned Vehicles* (OCEFT-P-006), dated June 30, 2012. This policy sets forth procedures governing OCEFT's law enforcement vehicles.

As of July 2013, the EPA's fleet was comprised of 1,064 vehicles. This number includes 119 vehicles acquired in fiscal year (FY) 2013 and 225 vehicles acquired in FY 2012. The EPA's fleet costs for FY 2013 were \$6 million.

Responsible Office

The office responsible for implementing the recommendations in this report is the Office of Administration and Resources Management's Office of Administration, Facilities Management and Services Division.

Scope and Methodology

We conducted this audit from June 2013 through July 2014, in accordance with generally accepted government auditing standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

We reviewed EPA policies and procedures governing the fleet program. We also interviewed the Agency Fleet Manager, as well as program office, regional and local fleet managers. The EPA's contractor staff trained our audit team on the EPA's Automotive Statistical Tool (AST), and the OIG obtained data from the system to verify with source documentation. We sampled 18 vehicles (7 percent) of the 236 vehicles located in Atlanta, Georgia; Philadelphia, Pennsylvania; and the Washington D.C., metro area. We selected our sample based on the location of the staff and the number of vehicles each staff could review during the preliminary research period.

For each sample vehicle we reviewed utilization records, fuel and repair costs; inventoried the vehicle type, license plates, and mileage; and noted any general observations. We did not increase our sample after preliminary research due to our finding of the need for increased oversight.

During this audit we also performed an internal review of the OIG fleet. We plan to address issues identified in a separate report to the Inspector General, which will be made available to the public on our website at <http://www.epa.gov/oig>.

Chapter 2

EPA Needs to Improve Oversight of Its Fleet Management Program

The EPA's oversight of its fleet management program needs improvement. We identified the following three areas that contribute to the need for more oversight:

- The EPA has not finalized or issued guidance documentation to manage the fleet in over 5 years.
- Fleet managers were not following program requirements and federal regulations for vehicle emission testing, tracking vehicle usage, and ensuring operator responsibilities.
- The EPA lacks documentation to support its approval of law enforcement vehicles in home-to-work status.

Federal requirements for fleet management provide that agencies are to exercise economical and efficient management and control of motor vehicles that the government owns or leases. Also, OMB Circular A-123 provides that internal control is an integral component of an organization's management that provides reasonable assurance that the organization is achieving the objective of effectiveness and efficiency of operations. By not having enough oversight of the fleet program, the agency is not ensuring that the \$6 million-per-year program is efficient and effective, and is placing taxpayer funds at risk.

EPA's Oversight of Its Fleet Management Program

The EPA's December 2013 draft fleet manual provides that the Assistant Administrator for the Office of Administration and Resources Management (OARM) has the responsibility to provide direction for developing and establishing an effective and efficient fleet management program. Specifically, the responsibilities include providing guidance on good management practices based on established policies and procedures; evaluating and reviewing fleet management operations and processes; and assigning responsibilities to others by grants of authority, instruction and direction.

The Agency Fleet Manager is responsible for administering and implementing fleet management guidelines (i.e., the guidelines set forth in the manual) across all designated vehicle motor pools for EPA regions, offices and programs. The Agency Fleet Manager has responsibilities for inspecting operations and activities for compliance with laws and regulations governing the use of government-owned vehicles; and providing agencywide review of all vehicle acquisitions, operations

and disposals. Fleet managers at the program office, regional, and local levels¹ have numerous responsibilities for all government-owned vehicles and motor pools within their purview, including daily operations of EPA's motor vehicles.

Federal Laws and Regulations Governing the Management and Monitoring of a Fleet Program

Several federal laws and regulations address how agencies should manage and monitor their fleet programs. The FMR, Subchapter B, *Personal Property*, is the regulation that governs fleet management. The federal regulation sets forth requirements governing the economical and efficient management and control of motor vehicles that the government owns, leases commercially, or leases through the GSA fleet. Subpart D, Section 102-34.205, provides that vehicle operators may not use a government vehicle for transportation between a residence and a place of employment, unless the agency authorizes such use after making a determination under the U.S. Code using 31 U.S.C. 1344. The agency must keep a copy of the written authorization within the agency and monitor the use of the vehicles.

Subpart F, Section 102-34.275, requires that an agency have a scheduled maintenance program for each motor vehicle owned or leased commercially. The scheduled maintenance program must meet federal and state emissions and safety standards, manufacturer warranty requirements, ensure the safe and economical operating condition of the motor vehicle throughout its life, and ensure that inspections and servicing occur as recommended by the manufacturer or more often if local operating conditions require. Section 102-34.280 requires that an agency perform federally mandated emissions inspections when required by the relevant state motor vehicle administration or state environmental department.

Subpart J, Section 102-34.335, provides that on an annual basis agencies must submit to the GSA the information needed to produce the Federal Fleet Report through the Federal Automotive Statistical Tool (FAST). The FAST is an Internet-based reporting tool. This section also requires reporting on the following five categories: inventory, acquisitions, operating costs, miles traveled, and fuel used. Section 102-34.345 provides that agencies are responsible for developing and keeping adequate accounting and reporting procedures for government motor vehicles. These procedures ensure the accurate recording of inventory, costs and operational data needed to manage and control motor vehicles, and will satisfy reporting requirements.

¹ Heretofore, any references in this report to the plural "fleet managers" pertains to the fleet managers at the program office, regional and local levels but not the "Agency Fleet Manager."

OMB Circular A-123, Revised, Section II, states:

Internal control is an integral component of an organization's management that provides reasonable assurance that the following objectives are being achieved: effectiveness and efficiency of operations, reliability of financial reporting, and compliance with applicable laws and regulations.² Internal control, in the broadest sense, includes the plan of organization, methods and procedures adopted by management to meet its goals. Internal control includes processes for planning, organizing, directing, controlling, and reporting on agency operations.

EPA Has Not Issued a Fleet Manual That Provides Direction to Fleet Managers

The EPA has not finalized the fleet program guidance that details all requirements for the program and the required procedures for program offices. The EPA's fleet manual has been in the draft phase for at least 5 years. During the course of our audit, we were able to identify three draft versions of the manual. One draft was dated April 2009, another version was provided to us as a July 2012 draft, and the latest version was provided on December 2013. The Agency Fleet Manager said he might need to remind fleet managers to read the manual; however, it was not clear which version of the manual the Agency Fleet Manager expected fleet managers to use prior to final issuance. A finalized policy is an internal control that contributes to providing the EPA with reasonable assurance that it is achieving effective and efficient operations. We believe the EPA must finalize and issue a fleet manual to ensure that the program has guidelines to support the agency's \$6 million-per-year operating costs for the program.

Without any official agency policy in place, fleet managers are not using specific processes to manage and monitor use of vehicles. By not making it a priority to finalize and issue a fleet manual, the EPA is not able to enforce program policies and procedures and is placing the fleet program in jeopardy. In April 2014, the agency said it recognizes that the manual needs be finalized, and in July 2014, the EPA provided the OIG with a final draft that is currently going through a clearance process before being published as an official EPA manual.

EPA Fleet Managers Did Not Follow Program Requirements

The EPA's fleet managers were not following program requirements specific to performing vehicle emission testing, tracking vehicle usage, and ensuring vehicle operators were aware of responsibilities.

² Internal control standards and the definition of internal control are based on the GAO's *Standards for Internal Control in the Federal Government*, November 1999 (referred to as the "Green Book").

For our sampled vehicles, fleet managers were not able to provide supporting documentation to verify emission testing for vehicles. In addition, managers do not consistently use a tracking system to record the use of vehicles. We found that fleet managers used different processes to obtain vehicle information. Some sampled vehicles did not have utilization logs, or the logs were incomplete and vehicle operators had not acknowledged their responsibilities.

The Agency Fleet Manager said his office relies on fleet managers to enforce established federal requirements and the requirements in the draft manual. Also, workshops are held, and quarterly newsletters are issued, to keep key personnel informed about fleet requirements. The Agency Fleet Manager noted that some fleet managers do not have supervisory authority over all the fleet managers in their area. He stated that for some fleet managers, implementing the program is a collateral function of their primary duties. Further, due to the lack of travel funds, the Agency Fleet Manager said his office is unable to perform site visits. We believe that the EPA should determine if its investment in the fleet program warrants implementing a process to ensure fleet managers are enforcing program requirements.

By not ensuring that vehicles have supporting documentation for emission testing, the EPA's fleet may be at risk of not meeting state emission standards. Also, the EPA increases the chance that the unauthorized use of vehicles could go undetected by not utilizing a tracking system. Lastly, without vehicle operators having the required knowledge about their responsibilities, the agency has no means of holding vehicle operators accountable for implementing federal requirements while operating the vehicle.

In an effort to address local fleet managers not consistently complying with guidance provided in the fleet manual, the EPA plans to issue a memorandum to remind personnel about fleet management oversight duties and to outline new fleet management measures. In addition, the EPA noted that in order to provide better oversight, the agency plans to incorporate random monthly checks of vehicle utilization reports to determine appropriate vehicle tracking, and to incorporate random monthly checks of vehicle operator responsibility forms to determine appropriate fleet operations.

EPA Needs to Improve Documentation to Support Home-to-Work Use of Law Enforcement Vehicles

OCEFT Policy P-006, *Government-Owned Vehicles*, allows government-owned or leased vehicles to be used for official purposes only. The policy prohibits the mingling of personal business with official business while using a government vehicle, except for defined, permitted personal or incidental uses as allowed in the policy. The policy also addresses the various appropriate uses and procedures for the management of vehicles owned or leased by the government. Section 3.2(a)

13 states that special agents and protective service detail employees, as authorized by the Administrator, can use government-owned vehicles to commute directly from their residences to their duty stations and from their duty stations to their residences at any time.

The FMR, Subpart D, Section 102-34.205, provides that an agency can authorize the use of government vehicles between a residence and a place of employment (home-to-work), after the agency makes such a determination under 31 U.S.C. 1344, maintains a copy of the written authorization within the agency, and monitors the use of these motor vehicles. Also, 31 U.S.C. 1344 (a)(2)(B) provides that transportation between the residence of an officer or employee and various locations (i.e., transportation viewed as essential for the safe and efficient performance of intelligence, counterintelligence, protective services, or criminal law enforcement duties) is transportation for an official purpose when approved in writing by the head of the federal agency.

We requested the EPA's written authorization for law enforcement vehicles' home-to-work usage. The EPA provided documentation supporting the agency head's approval in an April 29, 1988, memorandum from the Administrator authorizing the use of vehicles between home and work for occupational series GS-1811 criminal investigators appointed through the National Enforcement Investigations Center (NEIC), Office of Criminal Investigations. The agency also provided an authorization through a May 31, 2005, memorandum for occupational series GS-1801 operations support specialists. However, OCEFT's Criminal Investigation Division was not mentioned in the documentation.

OCEFT explained that in the early 1990s, the NEIC reorganized and criminal investigators were generally assigned within OCEFT's Criminal Investigation Division. OCEFT stated its opinion that the authorizations from 1988 and 2005 permitted home-to-work use by criminal investigators and protective service personnel. However, OCEFT agreed that the authorizations needed to be updated to include the current organizational information and GS-1810 personnel assigned to the protective service detail. Therefore, OCEFT needs to update in writing its Administrator's approval for home-to-work usage and it must maintain the written authorization, as required by 31 U.S.C. 1344 (a)(2)(B), and update OCEFT internal policy accordingly.

Additionally, OCEFT should have documentation to monitor vehicle usage. Section 3.2(g) of OCEFT Policy P-006 provides that "[government-owned vehicle] operators must submit required reports to management and provide information to track use and expenses and ensure the efficient and proper use of the government vehicle fleet." We requested home-to-work support for three law enforcement vehicles in our sample. The law enforcement program office stated that home-to-work vehicles used by criminal investigators are authorized for the safe and efficient performance of criminal law enforcement and protective service

duties under 31 U.S.C. § 1344(a)(2)(B); therefore, the law enforcement program is not required to fill out the forms.

We acknowledge that the agency has no required forms for law enforcement vehicles; however, in accordance with the FMR, Subpart D, Section 102-34.205, the agency should monitor vehicles used for transportation between a residence and a place of employment.

Because federal regulations state that agencies should monitor vehicles in home-to-work status, we believe that, at a minimum, OCEFT should ensure that an updated written authorization is on file and confer with the EPA to ensure that the agency has an acceptable level of documentation needed to meet its monitoring requirements. Having documentation would ensure that the agency has accurate records needed to manage and control the use of vehicles. The EPA's lack of monitoring and supporting documentation increases the risk that the unauthorized use of the vehicles could go undetected.

In March 2014, OCEFT said it is committed to updating and correcting the authorization for home-to-work use of vehicles by criminal investigators and protective service personnel. Also, OCEFT and the Agency Fleet Manager said they are working on acceptable documentation for monitoring, in order to ensure balance with investigative requirements.

EPA Should Be Consistent in Documenting Emission Testing and State Inspections

OCEFT Policy P-006 states that the maintenance, care and storage of government-owned vehicles requires EPA employees operating fleet motor vehicles to comply with federal policy and program rules for maintenance. The program rules are designed to ensure the proper use, care, safety, and efficiency of vehicles. The policy also states that preventive maintenance is the routine scheduled maintenance of motor vehicles, including the inspection of motor vehicles. Federal agencies must perform federally mandated emissions inspections when required by the relevant state motor vehicle administration. During our review of law enforcement vehicles, we noted that for our sample of three vehicles, emissions testing was not due for one vehicle, and another vehicle had the required testing and state inspection. The third vehicle did not have the testing, and the fleet manager could not provide a copy verifying the vehicle is registered with the state.

We believe that the EPA should be consistent in performing maintenance and emission testing on its leased vehicles throughout the agency. In March 2014, OCEFT stated that “[w]hile fleet managers are following federal regulations for vehicle maintenance, utilization, and operator responsibilities, the adherence to those requirements could be more clearly documented within EPA’s systems....”

Conclusion

The EPA needs to improve its oversight to ensure that fleet managers implement controls to protect the agency's fleet in accordance with federal requirements. If the agency does not finalize and issue a fleet manual—and fleet managers are not following vehicle maintenance, utilization and operator responsibilities—the EPA is placing its \$6 million-per-year fleet program in jeopardy of not being effective in accomplishing its mission, and is placing taxpayer funds at risk. The EPA has stated its plans to improve oversight of the fleet program by issuing a fleet manual, performing monthly usage and operator responsibility checks, and working with program offices with law enforcement vehicles on home-to work documentation. Should the EPA implement these actions, its oversight would improve the fleet program.

Recommendations

We recommend that the Assistant Administrator for Administration and Resources Management:

1. Finalize and issue the Fleet Management Manual to ensure that fleet managers operate their programs within the EPA's policies and procedures.
2. Develop a scheduled maintenance program for each vehicle that is owned or leased commercially by the agency. The program should include vehicle emission testing as required by federal and state policies.
3. Require fleet managers to use a tracking system for vehicle usage and require vehicle operators to acknowledge their responsibilities as required by program requirements, and support FMR, Subpart J, Section 102-34.345 for operational data.
4. Require OCEFT to obtain the Administrator's approval in writing for home-to-work usage by OCEFT's Criminal Investigation Division, and maintain the approval as required by 31 U.S.C. 1344 (a)(2)(B), so that the approval includes current organizational information and personnel assigned to the protective service detail. Also, require OCEFT to update its internal policy accordingly.
5. Require fleet managers with law enforcement vehicles to confer with OARM on vehicle monitoring and make any needed changes, to ensure it has an acceptable level of documentation needed for the agency to meet its requirement to monitor vehicles, as stated in FMR, Subpart D, Section 102-34.205.

Agency Comments and OIG Evaluation

Comments received from the Assistant Administrator for Administration and Resources Management agreed with Recommendations 1 through 5. The agency's responses and corrective action plans are found in Appendix A.

We agree with the agency's responses to all recommendations. All recommendations are resolved and require no final response to this report.

Chapter 3

EPA Needs to Increase Data Monitoring of Its Fleet Information System

The EPA should increase the monitoring of data within the agency's fleet information system or the AST. We identified missing, incomplete or incorrect information in the fleet system. In addition, user data input from one report or screen in the AST is not reported consistently in other system reports. The EPA has not developed or issued an AST manual or a list of procedures to ensure that users correctly input information into the system. The AST-programmed data checks are not effective in identifying differences in varying system reports. Federal requirements for fleet management require agencies to establish a fleet management information system that identifies and collects accurate inventory, cost, and usage data that covers the vehicle lifecycle.

The GAO's *Standards for Internal Control in the Federal Government* provides that application controls are designed to help ensure the completeness, accuracy, authorization and validity of all transactions during application processing. If data in the EPA's fleet information system is not accurate, the agency is at risk of reporting errors to the federal information system.

EPA's Automotive Statistical Tool Is Its Fleet Information System

According to the draft version of the Fleet Management Manual, as of December 2013, the AST is the electronic means for the agency to collect and report vehicle data. The AST is a secure website that can be accessed by authorized EPA employees and contractors. All data on a vehicle's registration, identification, maintenance, fuel consumption, organizational alignment and ownership must be maintained in the AST. Fleet managers are responsible for ensuring the timely and accurate submission of vehicle data. The Agency Fleet Manager submits the EPA's overall vehicle data annually to the Department of Energy and to the GSA via the FAST database.

The EPA stated that the AST has some data checks for entry and certification. The data checks include:

- Checks on the Master Record.
- "Environmental Compliance Dashboard," which identifies potential data issues concerning mileage and fuel consumption.
- "Verify Data Integrity" tool, which identifies data issues such as duplicate vehicle identification numbers, high acquisition costs, high lease costs, high maintenance costs, unreasonable fuel costs, and a miles-per-gallon variance.

The EPA said fleet managers and headquarters have roles in correcting data found in the Verify Data Integrity tool. The EPA noted that with respect to the tool itself, the tool is provided to allow fleet managers to quality check their data periodically throughout the fiscal year; if errors are found, the system will allow them to correct the errors within their access rights. The tool also allows headquarters to perform a quality check on end-of-the-year data; if errors are found, headquarters either contacts the fleet manager to make the corrections or headquarters itself makes the corrections. At a minimum, the data integrity tool is used to check for errors prior to the annual submission of the data to the FAST.

Federal Regulations Governing Information System Data Management

Federal regulations addressing information system data management for fleets are addressed in the FMR, Subchapter B, Subpart J, Section 102-34.340, which provides that a fleet management information system is required at the agency level to identify and collect accurate inventory, cost and usage data that covers the vehicle lifecycle. In addition, the system should provide the information necessary to satisfy reporting requirements and data required for the FAST. The GAO's *Standards for Internal Control in the Federal Government* provides that application controls are designed to help ensure the completeness, accuracy, authorization and validity of all transactions during application processing. Controls should be installed where an application interfaces with other systems, in order to ensure that all inputs are received and valid, and outputs are correct and properly distributed.

The AST Needs a Manual, a List of Procedures and More Data Checks

The EPA should increase data monitoring of the agency's fleet information system known as the AST. We identified missing, incomplete or incorrect information in the fleet system. In addition, reports are not consistently showing user data input throughout the system.

Our audit found fleet managers either did not input fuel and maintenance receipts correctly or did not have receipts to record in the system. One program office recorded incorrect operating locations for its fleet due to the lack of knowledge that the system would allow the correct location. Once we pointed out to the agency that the system is not limited to specific locations, the program office subsequently corrected the addresses for its vehicles in the AST to show the actual operating location of its vehicles. Lastly, the EPA included a commercially leased vehicle in the AST, but the vehicle was a subcontractor-owned vehicle for which the EPA tracked vehicle expenses in the AST.

The EPA has not developed or issued an AST manual or a list of procedures to define data elements to identify required corrections or verifications of data by system users. Users told us that they received on-the-job training from a mentor, and that experience with the AST has been gained by hands-on use. We believe that if users had a manual or a list of procedures to refer to in order to enforce the system's data-input requirements, users could have identified corrections for these issues.

When our audit team received formal training on the AST, we found that user data input from one report or screen in the AST is not consistent with other system reports. For one vehicle, we found that the "FY 2013 Fuel Usage/Cost History" screen showed odometer readings that ranged from 3,839 miles to 5,601 miles when fuel purchases were made throughout the fiscal year. When we reviewed the same vehicle on another AST screen titled "Flex Fuel Consumed Drilldown," the vehicle's minimum and maximum odometer readings were both 5,601 miles. The EPA's trainer noted that the AST's Verify Data Integrity tool should have identified the error. To date, the agency has not been able to explain what caused the error. We believe that the AST's data checks are not effective in identifying mistakes in data from detailed vehicle records for summary reports.

In April 2014, the EPA stated that by July 2014 it plans to develop and distribute an AST user manual for guidance on system navigation and use. Additionally, the agency said that by August 2014 it would hold a live walk-through webinar to help users understand the system and its capabilities. The EPA said it will review the AST and develop additional quality controls for data, as needed, in order to better manage the EPA's fleet data.

Conclusion

The EPA needs more data monitoring of its fleet information system to ensure that users make corrections to inaccurate information and data checks are effective in identifying errors. If the EPA does not develop and issue an AST manual or a list of procedures, and the agency does not increase its data checks in the information system, inaccurate data and reports in the AST may lead to incorrect decision-making regarding the EPA's fleet. Also, the EPA increases the risk that the information system will have inaccurate information reported in its annual submission to the FAST. The agency said it plans to issue an AST manual, help users with system training, and develop additional quality controls as needed. Should the EPA implement these actions, information system monitoring would be an improvement for the fleet program.

Recommendations

We recommend that the Assistant Administrator for Administration and Resources Management:

6. Develop and issue an AST manual or a list of procedures for AST users to follow, in order to help ensure that users input correct data into the system. At a minimum, require training for all fleet managers and new users.
7. Perform data checks of the AST system in order to reveal mistakes in extracting data from vehicle records for summary reports, and to make corrections to the data as necessary.

Agency Comments and OIG Evaluation

Comments received from the Assistant Administrator for Administration and Resources Management agreed with Recommendations 6 and 7. The agency's responses and corrective action plans are found in Appendix A.

We agree with the agency's responses to all recommendations. All recommendations are resolved and require no final response to this report.

Status of Recommendations and Potential Monetary Benefits

RECOMMENDATIONS						POTENTIAL MONETARY BENEFITS (in \$000s)	
Rec. No.	Page No.	Subject	Status ¹	Action Official	Planned Completion Date	Claimed Amount	Agreed-To Amount
1	9	Finalize and issue the Fleet Management Manual to ensure that fleet managers operate their programs within the EPA's policies and procedures.	O	Assistant Administrator for Administration and Resources Management	12/1/14		
2	9	Develop a scheduled maintenance program for each vehicle that is owned or leased commercially by the agency. The program should include vehicle emission testing as required by federal and state policies.	O	Assistant Administrator for Administration and Resources Management	8/14/15		
3	9	Require fleet managers to use a tracking system for vehicle usage and require vehicle operators to acknowledge their responsibilities as required by program requirements, and support FMR, Subpart J, Section 102-34.345 for operational data.	O	Assistant Administrator for Administration and Resources Management	8/14/15		
4	9	Require OCEFT to obtain the Administrator's approval in writing for home-to-work usage by OCEFT's Criminal Investigation Division, and maintain the approval as required by 31 U.S.C. 1344 (a)(2)(B), so that the approval includes current organizational information and personnel assigned to the protective service detail. Also, require OCEFT to update its internal policy accordingly.	O	Assistant Administrator for Administration and Resources Management	1/1/15		
5	9	Require fleet managers with law enforcement vehicles to confer with OARM on vehicle monitoring and make any needed changes, to ensure it has an acceptable level of documentation needed for the agency to meet its requirement to monitor vehicles, as stated in FMR, Subpart D, Section 102-34.205.	O	Assistant Administrator for Administration and Resources Management	1/1/15		
6	14	Develop and issue an AST manual or a list of procedures for AST users to follow, in order to help ensure that users input correct data into the system. At a minimum, require training for all fleet managers and new users.	O	Assistant Administrator for Administration and Resources Management	11/1/14		
7	14	Perform data checks of the AST system in order to reveal mistakes in extracting data from vehicle records for summary reports, and to make corrections to the data as necessary.	O	Assistant Administrator for Administration and Resources Management	11/1/14		

¹ O = Recommendation is open with agreed-to corrective actions pending.
 C = Recommendation is closed with all agreed-to actions completed.
 U = Recommendation is unresolved with resolution efforts in progress.

OARM Response to Draft Report and OIG Comment




UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C. 20460

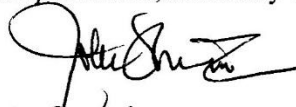
AUG 14 2014

OFFICE OF
ADMINISTRATION
AND RESOURCES
MANAGEMENT

MEMORANDUM

SUBJECT: Response to Office of Inspector General Draft Audit Report No. OA-FY13-0333
EPA's Fleet Management Program Needs Improvement, dated July 14, 2014

FROM:  Craig E. Hooks, Assistant Administrator

TO: Kevin Christensen, Acting Assistant Inspector General
Office of Audit 

Thank you for the opportunity to review your draft report. The Office of Administration and Resources Management agrees with the audit findings, and for all recommendations we have provided corrective actions and completion dates in Attachment 1.

If you have any questions regarding our response, please contact Yvette Jackson, Deputy Director, Facilities Management and Services Division, at (202) 564-2030.

Attachment

cc: Nanci Gelb
John Showman
Lynnann Hitchens
Brandon McDowell
Vaughn Noga
Tami Franklin
Steve Blankenship
Stacey Dey-Foy
Yvette Jackson
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Gloria Taylor-Upshaw

**Office of Administration and Resources Management
Response to Draft Report Recommendations
and
Corrective Action Plan**

OIG Recommendation 1: Finalize and issue the Fleet Management Manual to ensure that fleet managers operate their programs within the EPA's policies and procedures.

OARM concurs with this recommendation. OARM has completed a final, OGC-approved draft Fleet Management Manual and is preparing the document for submittal via the Agency Directives Clearance Review Process.

Estimated completion date: December 1, 2014.

OIG Recommendation 2: Develop a scheduled maintenance program for each vehicle that is owned or leased commercially by the agency. The program should include vehicle emission testing as required by federal and state policies.

OARM concurs with this recommendation. OARM will continue to reiterate fleet managers' responsibilities for ensuring that all vehicles have a scheduled maintenance program and have proper emissions inspections completed. OARM will continue to educate and reinforce this requirement via annual trainings, quarterly newsletters, and quarterly conference calls. OARM will conduct periodic random documentation reviews/audits to ensure that fleet managers and vehicle operators are properly fulfilling their fleet duties. Additionally, OARM will investigate the possibility of automating maintenance/emissions reminders and certifications so that they can be tracked within the Agency's fleet database, the Automotive Statistical Tool (AST).

Estimated completion date: On-going activity. August 14, 2015.

OIG Recommendation 3: Require fleet managers to use a tracking system for vehicle usage and require vehicle operators to acknowledge their responsibilities as required by program requirements and to support the FMR, Subpart J, Section 102-34.345 for operational data.

OARM concurs with this recommendation. EPA already mandates that all vehicle trips be logged using EPA Form 4920-3, Daily Vehicle Utilization Report (DVUR) and entered into EPA's AST database. EPA also requires that all vehicle operators sign EPA Form 4920-20, Motor Vehicle Operator Responsibilities (MVOR) which outlines accountability when using a government vehicle. The DVUR and MVOR documentation requirements are outlined in the Fleet Management Manual.

OARM will continue to educate fleet managers on documentation requirements in order to implement these forms into their fleet operations. As such, OARM will conduct periodic random documentation reviews/audits to ensure that fleet managers and vehicle operators are properly fulfilling their fleet duties. These reviews/audits will continue until such time that OARM can reasonably determine that implementation of the forms has been completed.

Estimated completion date: On-going activity. August 14, 2015.

OIG Recommendation 4: Require OCEFT to obtain an update to the Administrator’s approval in writing for home-to-work usage and maintain as required by 31 U.S.C. 1344 (a)(2)(B), so that the approval includes current organizational information and GS 1810 personnel assigned to the protective service detail. Also, require the OCEFT to update its internal policy accordingly.

OARM concurs with this recommendation. OARM will continue to coordinate with OCEFT officials in order to develop a home-to-work authorization for law enforcement (LE) vehicles. OARM will provide support and guidance to OCEFT, as needed.

Estimated completion date: January 1, 2015.

OIG Recommendation 5: Require fleet managers with law enforcement vehicles to confer with the OARM on vehicle monitoring and make any needed changes, to ensure it has an acceptable level of documentation needed for the agency to meet its reporting requirement to monitor vehicles as required by the FMR, Subpart D, Section 102-34.205; and to ensure the accurate recording of inventory, costs and operational data needed to manage and control vehicle usage as required by Subpart J, Section 102-34.345.

OARM concurs with this recommendation. Most vehicle operators are required to complete EPA Form 4920-3, Daily Vehicle Utilization Report (DVUR). While not required, OARM will work with OCEFT to develop vehicle logs that provide needed information without compromising officer safety or the integrity of investigations. We will periodically perform random reviews of documentation and operational data in AST to ensure accuracy and compliance with these requirements.

Estimated completion date: January 1, 2015.

OIG Recommendation 6: Develop and issue an AST manual or a list of procedures for AST users to follow, in order to help ensure users input correct data into the system. At a minimum, require training for all fleet managers and new users.

OARM concurs with this recommendation. OARM has already developed the AST User Manual and distributed the manual on July 30, 2014. OARM will also develop a training regimen for AST users and conduct training sessions to ensure that data is accurately entered into AST.

Estimated completion date: November 1, 2014, for training sessions.

OIG Recommendation 7: Perform data checks of the AST system in order to reveal mistakes in extracting data from vehicle records for summary reports, and to make corrections to the data as necessary.

OARM concurs with this recommendation. OARM plans to conduct a review of the system to identify inconsistencies and data gaps and implement necessary solutions within AST. Subject to the results of this review, actionable items will be addressed accordingly.

Estimated completion date: November 1, 2014, for AST review; resulting updates will be ongoing with a timeline dependent on project scope.

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