



# Fleet Asset Management Audit Report 2025

**June 10, 2025**

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## Internal Audit

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## Executive Summary

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### Background

Fleet Services manages the procurement, maintenance, and disposal of vehicles and equipment for City of Brampton operations, excluding Fire and Transit. These assets support essential services such as road maintenance and parks operations. The Fleet Administration team, part of the Public Works and Engineering Department, is responsible for managing the full lifecycle of fleet assets.

The City uses FleetFocus M5 software to track all fleet assets, including usage, maintenance history, and costs. M5 also generates reports to support operational planning, such as annual lifecycle assessments that help identify vehicles for replacement. These assessments consider factors such as age, usage, and vehicle condition. Replacement recommendations are reviewed and submitted through the annual budget process, where priorities are adjusted based on available funding. When budget constraints exist, vehicles in the poorest condition are prioritized for replacement.

Fleet acquisitions include both replacements and new vehicle requests, which require a business case and are considered during the budget cycle. Once approved, vehicles are procured, inspected at the Williams Parkway Operations Centre, and outfitted for service. Vehicle usage is monitored through various sources, and underutilized assets are flagged for review.

The City maintains an internal pool of approximately 30 vehicles to provide temporary replacements when needed by user departments and uses external rentals during peak periods. When vehicles are flagged for replacement, they are decommissioned, prepared for auction, and removed from the system.

The audit was initiated as part of the 2025 audit plan. Fleet was last audited in 2012.

### Audit Objectives

The audit aimed to assess whether Fleet has:

- established appropriate policies and procedures to support effective, consistent, and accountable asset management operations.
- implemented processes to support effective planning and acquisitions of fleet assets.
- established controls to effectively manage and monitor fleet assets throughout their lifecycle.
- implemented procedures to oversee and monitor vehicle rentals and disposals in a controlled and efficient manner.

## What We Recommend

This audit report recommends that staff:

- 1. Enhance Monitoring of Vehicle Utilization**

Implement a structured and consistent vehicle utilization review process that includes defined thresholds, scheduled reviews, and documented explanations for underutilized assets from business units to support optimal fleet usage.

- 2. Improve Review Controls for New Vehicle and Equipment Requests**

Establish a formal review process to ensure that all new vehicle and equipment request forms are properly completed, reviewed, and approved by both business unit and Fleet management before being added to the budget submission.

- 3. Enhance Tracking of Equipment Locations in M5<sup>1</sup>**

Implement a process to accurately record and update the physical location of equipment in M5. This will help safeguard assets and improve traceability.

- 4. Ensure Complete and Up-to-Date Fleet Data for Insurance Purposes**

Implement a year-end process to ensure a complete and current listing of all active fleet vehicles and equipment is submitted to the City's Risk & Insurance Unit to maintain insurance coverage.

- 5. Ensure Timely Updates of Disposed Fleet Assets in M5**

Integrate timely status updates into the asset disposal process to reflect when a unit is no longer available for use and when the unit has been sold, ensuring accurate records in M5.

- 6. Develop SOPs to Standardize Fleet Administration Practices**

Develop standard operating procedures for all core Fleet Administration functions to ensure consistency, support staff training, and maintain continuity during staffing transitions.

## Conclusion

Overall, Fleet Services has implemented several effective measures to manage the City's fleet operations. The division effectively utilizes key systems such as FleetFocus M5 and Automatic Vehicle Location (AVL) to monitor and manage fleet assets. Lifecycle parameters have been established for both light and heavy-duty vehicles, supporting a structured and efficient vehicle replacement program. Processes for vehicle and equipment receipt are functioning effectively, and appropriate physical security measures are in place to safeguard fleet assets. The management of rental vehicles is also well-organized, with clear procedures for tracking usage, invoicing, and damage reporting.

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<sup>1</sup> The physical count was only for equipment. Vehicles are equipped with AVL's so their whereabouts can be tracked at any time.

However, the audit also identified several key areas for improvement. These include the need to formalize the vehicle utilization review process, enhance the tracking and timely updating of equipment locations within M5, and ensure that documentation for new vehicle requests is complete and properly approved. The status of disposed assets should be updated timely in M5 and the asset data provided to the City's insurance team should be reviewed for completeness. Finally, the development of standard operating procedures (SOPs) would provide guidance for key Fleet Administration functions and support consistent practices across the division.

Implementing the recommended actions will address these gaps, enhance operational consistency, strengthen internal controls, and improve the overall efficiency and accountability of the City's fleet management activities.

**Management Action  
Plans**

Management has reviewed the audit findings and agrees with all recommendations. Action plans have been developed to address each recommendation accordingly.

**Thank You to  
Management and Staff**

We appreciate the cooperation and assistance of the management and staff of Fleet during the audit.

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## Distribution List

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### Standard Recipients

Members of Audit Committee

CAO

Members of Council

Members of Leadership Team

KPMG LLP, Chartered Accountants (Statutory Auditor)

Maria Khoushnood, Partner, Private Enterprise

### Additional Recipients

Road Maintenance, Operations and Fleet

- Shane Loftus, Director, Road Maintenance, Operations and Fleet
- Angelo Mancuso, Manager, Fleet

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## Background

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**Fleet Services plays a vital role in supporting City operations by procuring, managing, and maintaining vehicles and equipment.**

The Brampton Fleet Services group is responsible for procuring, managing, and maintaining safe and sustainable vehicles and equipment for all City operations, excluding Fire & Emergency Services and Transit. These vehicles and equipment enable City staff to deliver essential services to residents, including road and infrastructure repairs, by-law enforcement, and the maintenance of parks and recreational facilities.

Fleet Administration provides a full range of asset management functions, including vehicle acquisitions, disposals, replacements, and fleet rentals. The group operates under the Road Maintenance, Operations & Fleet Division, which is part of Public Works and Engineering.

There are currently 7 full-time permanent employees in Fleet Administration including one Supervisor, Administration, one Analyst, Fleet, one Clerk, Fleet & Traffic Outside Services, two Maintenance Persons and two Technicians, Fleet. All administration staff report to the Supervisor, Administration, who reports to the Manager, Fleet.

**FleetFocus M5 is the City's centralized system for tracking and analyzing all fleet assets across departments.**

### Fleet Management System

FleetFocus M5, the asset management software, is used by Fleet Services, Fire and Emergency Services as well as Brampton Transit to manage all City-owned and rented vehicles and equipment. The system maintains detailed records for each asset, including age, vehicle mileage or equipment usage hours, maintenance history, and operating costs.

**Table 1. Licensed Vehicles by Category as of March 15, 2025**

<b>Licensed Vehicles by Category as of March 15, 2025</b>		
<b>Light Vehicles</b>	<b>Models</b>	<b>#</b>
Pickup Trucks - 4x4	Chevrolet Silverado, Ford F150/F250/F350, Dodge Ram 1500/3500	141
Pickup Trucks - 4x2	Ford F150/F250	7
Compact Trucks/SUVs - 4x4	Chevrolet Equinox/Colorado, Ford Ranger, Jeep Patriot, Mitsubishi RVR	141
Compact Cars	Ford Focus, Chevrolet Malibu	2
Cargo Vans	Ford Transit 250/E150, GMC Savana, Dodge Sprinter 2500	16
Compact Vans	Dodge Caravan	7
Sport Utility Vehicles	Dodge Hornet, Hyundai IONIQ5	43
<b>TOTAL - Light Vehicles</b>		<b>357</b>
<b>Heavy Vehicles</b>	<b>Models</b>	<b>#</b>
1-7.5 Ton Trucks - Dump/Flat Bed	Dodge Ram 3500/5500	8
20-34 Ton Trucks - Dump/Flat Bed/Flusher	Freightliner 114SD/114SD Plus	19
20-35 Ton Trucks - Bucket/Crane	International 40S, Mack MRU613	2
7.5-20 Ton Trucks- Wheel Dump/Flat Bed/ Tanker	Dodge Ram 5500, Ford F550 XL, Freightliner M2/114SD, Isuzu NQR/NRR	84
7.5-20 Ton Specialty Trucks- Crane/Aerials	Ford F550 XL	4
<b>TOTAL - Heavy Vehicles</b>		<b>117</b>
<b>TOTAL - Licensed Vehicles</b>		<b>474</b>

**Fleet uses M5 lifecycle reports and condition assessments to prioritize which vehicles will be replaced annually.**

#### Fleet Planning and Replacements

Each year, a lifecycle report is generated in M5 to identify vehicles due for replacement in the following year. This report is based on lifecycle parameters, which consider vehicle category, user group usage pattern, and years of service. The list of vehicles scheduled for replacement, along with the total estimated replacement cost, is reviewed and approved by the Director, Road Maintenance, Operations & Fleet before being submitted to Council as part of the annual budget process.

If full funding is not approved, Fleet Administration collaborates with Fleet Maintenance to further evaluate the vehicles due for replacement, prioritizing those in the poorest condition. This evaluation considers factors such as lifecycle thresholds, mileage, maintenance history and overall condition. The revised replacement list is then included in the budget package submitted to Council for approval.

Once the budget is finalized, Fleet Administration works with Fleet Maintenance to determine the technical specifications for each asset. These specifications are then submitted to Purchasing which reviews them and issues a bid call in compliance with procurement policies.



**New vehicle and equipment requests require an approved form and a business case and are reviewed annually as part of the budget process.**

#### Fleet Acquisitions

In addition to replacements, operating departments that require additional vehicles or equipment beyond their current fleet resources can submit a *New Vehicle/Equipment Request Form*. All requests must be accompanied by a business case that includes the following details:

- Intended users of the vehicle or equipment,
- Business Units that will benefit from the acquisition,
- Specific tasks the new assets will support,
- Expected timing and frequency of use.

The request form and business case is approved by the Director and Commissioner of the requesting department and sent to Fleet. While new requests can be submitted at any time during the year, they are only reviewed for consideration during the annual budget process. If a request is approved, the business unit collaborates with Fleet staff to finalize the technical specifications before submitting the requisition to Purchasing for procurement.

**New vehicles and equipment are received, inspected, and outfitted for service at Williams Parkway Operations Centre.**

#### Fleet Receipts

All new vehicles and equipment are delivered to the Williams Parkway Operations Centre (WPOC), the central hub for fleet operations. Upon arrival, Fleet technicians or administrative staff inspect the vehicle alongside the delivery personnel to ensure it meets all purchase order specifications. This inspection includes checking for required features such as lighting, backup buzzers, racks and other customizations before signing off on the delivery slip.

Once received, the vehicle is outfitted with the necessary equipment and documents, including radios, decals, vehicle data units (VDUs), insurance slips and fire extinguishers, before being entered into M5. A checklist is completed to ensure necessary onboarding steps are taken.

**Fleet vehicles are securely stored at City sites with gated access and surveillance and are equipped with GPS tracking.**

#### Fleet Vehicle Storage & Security

The City's main storage locations for fleet vehicles are Williams Parkway, Sandalwood, Teramoto, and Glidden. Each location is secured with fencing and gated access, which can only be opened using a City vehicle key fob. Additionally, all locations are equipped with 24/7 surveillance cameras. Spare keys for each vehicle are stored in a locked cabinet within a secured office. All licensed vehicles are equipped with an Automatic Vehicle Location (AVL<sup>2</sup>) unit which is a GPS-based system with the ability to monitor the real-time location and movement of a vehicle.

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<sup>2</sup> A device installed in fleet vehicles that captures real-time data such as location, speed, idling time, and engine diagnostics.

**Vehicle utilization is monitored through a report combining data from M5 and mileage from the AVL system.**

#### Vehicle Utilization & Mileage Tracking

Vehicle mileage is affected by fluctuations in seasonal workloads such as snowplows in the summer and parks maintenance vehicles in the winter. Vehicles with low utilization are flagged and fleet staff reach out to the respective operating unit to discuss the underutilization. In general, heavy-duty vehicles such as dump trucks, flatbeds, and tankers record lower mileage compared to light-duty vehicles, due to their specialized use.

All vehicles are equipped with an AVL system which uses satellite technology to capture vehicle movements in real time and track mileage. Vehicle utilization is monitored through a fleet activity report that combines data from M5 and the AVL system. The vehicle utilization report is run by IT and sent to fleet for their review.

**The City supplements its fleet through an internal pool of vehicles and external rentals, with seasonal demand increasing during spring and summer.**

#### Vehicle Motor Pool and Outside Rentals

The City maintains a motor pool of approximately 30 vehicles available for internal rentals. These vehicles serve as temporary replacements for user departments when their assigned vehicles undergo maintenance or repairs, are involved in a collision or awaiting replacement. The motor pool is primarily used during the spring and summer, to facilitate parks maintenance work as the Parks Maintenance Division, a major user of City vehicles, employs about 200 seasonal staff. Most motor pool vehicles are Ford F-250 trucks. The City currently does not impose limits on internal rental duration.

If additional fleet resources are required and no motor pool vehicles are available, the City resorts to outside rental agencies. User departments develop a rental list for the upcoming summer which outlines vehicle and equipment needs and the expected duration of rentals. Rental lists are approved by both the respective Business Unit Manager and division heads before being forwarded to Fleet who makes the necessary arrangements with the rental car provider. Once rentals arrive at Williams Parkway, they are outfitted with City of Brampton decals, assigned a unit number, and entered into M5. Most rentals are returned by the end of September, though extensions can be arranged if necessary. The City maintains a three-year purchase order with the vehicle rental provider to facilitate these rentals.

**Vehicles and equipment being replaced are decommissioned, stripped of city property and insignia and sent to auction.**

#### Vehicle and Equipment Disposals

The majority of decommissioned vehicles and equipment are sold through auctions. When a vehicle is nearing the end of its useful life and has been approved for replacement, it is removed from active service. Before disposal, City property and insignia including decals, logos, radios, light bars, and racks are removed, and the vehicle is officially decommissioned. Fleet completes an *Asset Disposal Form* for each vehicle and a list of vehicles identified for disposal is jointly approved by Purchasing and Fleet.

Vehicles approved for disposal are registered for auction by Fleet Technicians. The City utilizes three different auctioneers, each specializing in specific types of vehicles and equipment. Decommissioned vehicles are stored at Williams Parkway before being transported to the auction house by tow truck. In most cases, vehicles and equipment are sold without a reserve bid—the minimum price a seller is willing to accept at auction. Once the sale is finalized, the auctioneer sends the completed paperwork to Fleet who forwards it to Purchasing and Finance. The proceeds from the sale are deposited by Purchasing. The sale price is recorded in M5, and the vehicle is removed from the system.

The fleet asset management audit is part of the approved 2025 audit plan. The last fleet asset management audit was completed in 2012.

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## Detailed Audit Findings

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### A. Monitoring of Vehicle Utilization Needs to be Enhanced

Priority Rating

P2

**Background** Fleet is responsible for managing and maintaining over 450 licensed vehicles. Vehicle utilization is monitored through a fleet activity report that combines data from M5 and the AVL system, which uses satellite technology to capture vehicle movements in real time and track mileage. The vehicle utilization reports are run by IT and sent to fleet for their review.

Vehicle mileage fluctuates with seasonal workloads, for example, snowplows are underused in summer while parks maintenance vehicles are less active in winter. Vehicles with low utilization are flagged, and Fleet staff reach out to the respective operating unit to discuss the underutilization. In general, heavy-duty vehicles such as dump trucks, flatbeds, and tankers generally record lower mileage compared to light-duty trucks and cars, due to their specialized use.

**Criteria** Thresholds for underutilization are established for all vehicles, and a formal process is in place to engage operating units in addressing low-usage assets to ensure optimal use of fleet resources.

**Condition** We reviewed the monitoring process for vehicle utilization and identified the following areas of improvement:

1. There is no clear definition of *underutilization*. As per Fleet staff, generally, anything under 5,000 km a year for light-duty vehicles and cars, and under 2,000 km a year for heavy-duty vehicles is considered underutilized, however, the acceptable range of use for each vehicle type and department is not formally defined.
2. There is currently no formal process in place for systematically following up with operating units to assess the reasons behind low vehicle mileage. Although Fleet staff may reach out to divisions on an ad hoc basis, there is no defined underutilization threshold, regular review schedule, or requirement for business units to document and justify low usage. This informal approach limits consistency and accountability, and may result in underutilized vehicles not being adequately reviewed or addressed.
3. Not all vehicles have a functioning AVL unit to track mileage. In 2024, AVL data was missing for about 25 of the City's 468 licensed vehicles. It is unclear whether these vehicles lacked an AVL unit or if the installed units failed to capture mileage data accurately. In the 2024 mileage report, there were an additional 11 vehicles that the AVL was reporting as "Not Used", even though in M5 these vehicles were showing anywhere from 2K to 23K km in mileage.

**Table 2. 2024 Vehicle Mileage**

The table below shows the mileage for light-duty and heavy-duty vehicles from January 1, 2024 to December 31, 2024, based on information collected through the AVL system. During this period, 27% of light duty vehicles recorded less than 5,000 kilometres, while 25% of the heavy-duty vehicles recorded less than 2,000 kilometres, indicating potential underutilization within both vehicle categories.

2024 Vehicle Mileage - Light-Duty Trucks & Cars														
Dept.	0 - 2K		2K - 5K		5K - 10K		10K - 15K		15K - 30K		> 30K		Total	
	#	%	#	%	#	%	#	%	#	%	#	%	#	%
Animal Services	0	0%	0	0%	1	10%	1	10%	8	80%	0	0%	10	100%
Building	3	8%	6	15%	25	63%	6	15%	0	0%	0	0%	40	100%
City Hall	2	13%	3	19%	3	19%	2	13%	6	38%	0	0%	16	100%
Enforcement & By-law	0	0%	5	12%	17	40%	7	16%	7	16%	7	16%	43	100%
Fleet Admin	2	14%	6	43%	3	21%	2	14%	1	7%	0	0%	14	100%
Recreation Centers	4	36%	5	45%	2	18%	0	0%	0	0%	0	0%	11	100%
Parks	2	2%	18	18%	50	51%	26	27%	2	2%	0	0%	98	100%
Roads	1	4%	4	17%	13	57%	5	22%	0	0%	0	0%	23	100%
Other	2	7%	11	41%	4	15%	2	7%	0	0%	8	30%	27	100%
<b>Total</b>	<b>16</b>	<b>6%</b>	<b>58</b>	<b>21%</b>	<b>118</b>	<b>42%</b>	<b>51</b>	<b>18%</b>	<b>24</b>	<b>9%</b>	<b>15</b>	<b>5%</b>	<b>282</b>	<b>100%</b>
2024 Vehicle Mileage - Heavy-Duty Trucks														
Dept.	0 - 2K		2K - 5K		5K - 10K		10K - 15K		15K - 30K		> 30K		Total	
	#	%	#	%	#	%	#	%	#	%	#	%	#	%
Fleet Admin	2	50%	2	50%	0	0%	0	0%	0	0%	0	0%	4	100%
Recreation Centers	0	0%	1	100%	0	0%	0	0%	0	0%	0	0%	1	100%
Parks	7	14%	16	31%	20	39%	5	10%	3	6%	0	0%	51	100%
Roads	17	40%	10	24%	4	10%	9	21%	2	5%	0	0%	42	100%
Traffic	0	0%	1	25%	1	25%	1	25%	1	25%	0	0%	4	100%
<b>Total</b>	<b>26</b>	<b>25%</b>	<b>30</b>	<b>29%</b>	<b>25</b>	<b>25%</b>	<b>15</b>	<b>15%</b>	<b>6</b>	<b>6%</b>	<b>0</b>	<b>0%</b>	<b>102</b>	<b>100%</b>
Based on Automatic Vehicle Location (AVL) data.														
Approximately 40 vehicles acquired or disposed in 2024 are not included.														
AVL mileage data not available for approximately 25 vehicles which are not included.														
AVL data showing "Not Used" for 11 vehicles which are not included.														

A structured process should be implemented to monitor and follow up on underutilized vehicles, ensuring that all operating units are assessed using consistent criteria. Fleet should provide each operating unit with an annual list of underutilized vehicles, requesting explanations for low usage and facilitating discussions to optimize asset utilization within their respective operations.

**Cause** Staff indicated that there is currently no formal process in place to review vehicle utilization. The current approach to monitoring vehicle usage is largely subjective, relying on individual familiarity with departmental vehicle usage rather than standardized criteria.

**Impact** The absence of a consistent approach to monitoring vehicle utilization increases the risk that underutilized assets are not identified and reallocated in a timely manner. This limits the City's ability to optimize fleet performance and reduces the overall return on investment in fleet assets.

**Recommendation:****1. Enhance Monitoring of Vehicle Utilization**

The Director, Road Maintenance, Operations and Fleet should formalize the vehicle utilization review process to ensure all underutilized vehicles are addressed and resource sharing among assets is optimized. Specifically, the process should include:

- a. Establishing a clear definition of “underutilized” for all vehicle types so that the acceptable range of use for each vehicle is defined and can be appropriately assessed.
- b. Implementing a formal process that systematically follows up with operating units to assess the reason behind low vehicle mileage and requires business units to document and justify low usage.
- c. Improving AVL data capture by identifying and addressing non-functioning units to ensure consistent and accurate mileage data is available for analysis.

**Management Response:** ☒ Agree ☐ Disagree

**Comments/Action Plan**

1. Fleet will develop a formalized process for reviewing and assessing underutilized vehicles. Fleet will define thresholds for underutilization based on each user groups’ operation and vehicle type.
2. The formalized process will include addressing low utilization with user groups, including documented responses.
3. Fleet is working with our AVL and Business Systems (IT) teams to address non-functioning units and to explore additional technologies to assist in extracting mileage using our current GPS telematics system.

**Timeline:**

Item 1, Item 2: Q4, 2025

Item 3: Q2, 2026

**B. Review Controls for New Vehicle and Equipment Requests Needs to be Improved**

**Priority Rating**

**P2**

**Background**

Operating departments that require vehicles or equipment beyond their current fleet allocation must submit a *New Vehicle/Equipment Request Form*, accompanied by a detailed business case. The business case outlines the intended users, the functional areas that will benefit from the acquisition, the scope of the proposed work, and the expected utilization of the asset.

The New Vehicle/Equipment Request Form and accompanying business case must be approved by both the Director and Commissioner of the requesting department before being submitted to Fleet. Although requests may be submitted at any time during the year, they are only reviewed for consideration during the annual budget process. Once approved, all new vehicle and equipment requests are compiled into a new request list, which is submitted to Finance as part of the budget submission.

**Criteria**

All new asset requests must be supported by a completed Vehicle/Equipment Request Form and business case, and approved by the Supervisor, Director and Commissioner of the requesting department, along with the Manager of Fleet.

**Condition**

We reviewed five samples of new acquisitions and identified the following issues with the New Vehicle/Equipment Request Forms.

- None of the five vehicle/equipment request forms contained the required approvals. The business unit Commissioner, Director and Supervisor signatures were missing from all forms and three of the forms did not contain a signature from the Manager, Fleet.
- Not all vehicle/equipment request forms were fully completed. The “Fleet Services Recommendations” section was not filled out for one of the forms, and on another form the “Recommendation to proceed with procurement” box was marked as “NO” due to “Low/Under Utilization”, however, this request was still added to the budget list of new vehicles without further explanation on the form.

**Cause**

Staff advised that these forms were submitted during a transition period and a process to properly review the forms was not yet in place.

**Impact**

Failing to properly complete and approve new vehicle or equipment requests can result in unapproved spending that does not align with user department needs or optimize the fleet budget.

**Recommendation:**

**2. Improve Review Controls for New Vehicle and Equipment Requests**

The Director, Road Maintenance, Operations and Fleet should ensure all new asset requests are complete, include a clear justification, and are formally approved by both the requesting business unit and Fleet Management before being submitted for budget consideration.

**Management Response:** ☒ Agree ☐ Disagree

**Comments/Action Plan**

1. Fleet will develop a formalized process for reviewing and approving new vehicle and equipment requests.
2. Fleet will develop an SOP to ensure this process is followed and will centralize all supporting documentation.

**Timeline:** Q4, 2025

**C. Tracking of Equipment Locations in M5 Needs to be Enhanced**

**Priority Rating**

**P2**

**Background**

Fleet Administration manages and maintains approximately 600 pieces of equipment, with a total purchase value of \$18.3 million. The inventory includes a mix of heavy-duty equipment, light-duty assets, small engine tools, and trailers. Equipment costs range from smaller items like generators and snowblowers (valued at \$1,500 and above) to high-value assets such as the \$366,000 Prinoth Snow Groomer used at Chinguacousy Park. Any asset exceeding \$1,500 must be procured through Fleet Administration and entered into the M5 asset management system upon receipt. While most equipment is stored at Williams Parkway and Sandalwood, additional storage locations include city yards at Teramoto, Glidden, the Alectra warehouse, and various recreation centres.

**Criteria**

Processes are in place to ensure that equipment information in M5, including location, status, and item identification number, is accurate and updated as necessary to support efficient equipment management.



**Condition** A review of the equipment management process found the following:

1. The physical location of equipment is not currently tracked in M5. While each asset is assigned to a “user department,” this designation does not necessarily reflect the asset’s actual storage or operating location. This lack of precise location data makes it difficult to determine the real-time whereabouts of equipment, particularly for departments that utilize multiple storage sites. For instance, Horticulture may store equipment at various locations, including Williams Parkway, Sandalwood, Teramoto, the Alectra building, or others—none of which are captured in the system.
2. 38 units from 20 different types of equipment were selected for the physical count. The locations of all items were confirmed, however, the following was also noted:
  - FW12229: 2012 JOHN DEERE GATOR HPX 4X4: User department showing as Fleet Maintenance, however, this unit was located at Susan Fennel Recreation Centre.
  - FW13460: 2013 JOHN DEERE 1445 72" FRONT FLEX MOWER: User department showing as Chinguacousy Park, however, this unit was located at Williams Parkway.
  - FO14594: 2014 OLYMPIA MILLENNIUM SD ICE RESURFACER: User department showing as Memorial Arena, however, this unit was located at Williams Parkway.
  - FVS100837: ARIENS SNOWBLOWER ST32DLE: User department showing as Chinguacousy Park, however, this unit was located at the Cemetery.
3. A sample of 10 equipment items selected during inventory count was traced back to the inventory list, with the following observations noted:
  - FVS10955: 10 ARIENS PRO32 SNOWBLOWER: Physically located at Memorial Arena, however, the user department is Horticulture.
  - FVE191516: 2019 OLYMPIA ICE EDGER: Physically located at Chinguacousy Park, however, the user department is Memorial Arena.
  - This unit is physically labeled as number 681; however, it appears in M5 as unit 639. Staff confirmed that this is a tractor attachment, and that numbering conventions for some attachments were updated to align with the unit number of the corresponding tractor.

4. Not all equipment is outfitted with an AVL unit. AVLs use a global positioning system (GPS) to track the exact location of each vehicle in real time, allowing managers to monitor equipment location and movement. While it does not make sense to outfit small equipment with an AVL unit, larger, more expensive assets such as ride-on equipment can benefit from AVL's tracking features. Of the 25 active tractors, 17 are equipped with an AVL and 8 are not. Currently, there is one John Deere mower equipped with AVL, but the remaining 19 John Deere mowers and 4x4s are not.

The physical location of equipment should be tracked and updated when equipment is transferred to another department or facility. This will provide better visibility of equipment and enable staff to efficiently locate it when needed by other departments.

Clear criteria should be established to determine which equipment requires AVL installation. The real-time location tracking provided by AVL systems helps identify unauthorized use or theft and improves operational efficiency.

<b>Cause</b>	Staff advised that the inability to accurately monitor equipment location is due to a limitation within the M5 system, which does not have the functionality to record or update asset location information.
<b>Impact</b>	The absence of a reliable system to accurately track equipment locations increases the risk that asset misappropriation may go undetected and can contribute to operational inefficiencies.

#### **Recommendation:**

### **3. Enhance Tracking of Equipment Locations in M5**

The Director, Road Maintenance, Operations and Fleet should implement a process to improve the tracking and regular updating of equipment location data to ensure assets are properly safeguarded and can be efficiently located when needed.

<b>Management Response:</b> <input checked="" type="checkbox"/> Agree <input type="checkbox"/> Disagree
<b>Comments/Action Plan</b> <ol style="list-style-type: none"> <li>1. Fleet is working with the Business Systems (IT) team and the AVL team to explore tracking options for motorized unlicensed assets.</li> <li>2. Fleet will inform user groups of the requirement to communicate any vehicle or equipment transfers to Fleet staff.</li> <li>3. Fleet is currently running a pilot project with our current GPS vendor with 6 (lawn cutting) units. Once completed, data will be reviewed to determine if technology is adequate.</li> </ol> <p><b>Timeline:</b>  Item 1: Q1, 2026  Item 2, Item 3: Q4, 2025</p>

D. Fleet Data Provided for Insurance Purposes Needs to be Complete and Current

Priority Rating

P2

Background

Every year, Fleet Administration sends an updated list of all fleet assets to the Risk & Insurance group. The Risk & Insurance team then forwards the list to the insurance broker, who updates the roster of City assets included in the blanket insurance policy for the upcoming year. For vehicles to be covered, they must be included on the updated list provided to the broker before January 1 each year. Please see below for Section 3 of the insurance agreement, which addresses automobile coverage.

3.
Conditions Applying to This Coverage

3.1
The schedule of automobiles that you filed with us must include all automobiles in your fleet, as described in 2.1, on the effective date of your policy or renewal.

There is no coverage for automobiles owned or leased by you before the effective date of your policy or renewal if they are not included on the schedule of automobiles filed with us. For coverage to be provided for these automobiles, you must file a request for coverage.

Criteria

Fleet asset information provided to Risk & Insurance is complete and includes all vehicles and equipment as of year-end.

<b>Condition</b>	<p>We reviewed the asset listing sent from Fleet Administration to Risk &amp; Insurance in 2024 and found that 35 active vehicles in the City's fleet as of the end of 2024 were not included on the list. Of these, 25 were rentals and 10 were City-owned vehicles. Six of the vehicles were acquired prior to 2024, while the remaining missing vehicles were acquired at the end of 2024. Both rental and City-owned vehicles must be included on the list to be covered under the City's blanket vehicle insurance policy.</p> <p>Further review found the list was sent from Fleet Administration to Risk &amp; Insurance in August 2024, and no subsequent list was provided.</p> <p>A final vehicle list should be provided at the end of each year to ensure all active vehicles, including recent acquisitions, are captured.</p> <p>For all active vehicles not currently on the broker's 2025 insured list, a request for coverage must be completed and submitted to the broker to add these vehicles to the policy.</p>
<b>Cause</b>	Staff advised that they were not aware the asset list sent to Risk & Insurance was incomplete, but noted that any missing vehicles were due to the timing of when the list was sent.
<b>Impact</b>	Operating uninsured vehicles increases the City's financial exposure and may result in significant financial loss in the event of a collision involving extensive property damage or personal injury.

**Recommendation:**

**4. Ensure Complete and Up-to-Date Fleet Data for Insurance Purposes**

The Director, Road Maintenance, Operations and Fleet should improve the process for providing vehicle information to the Risk & Insurance unit to ensure all fleet assets are properly insured.

**Management Response:** ☒ Agree ☐ Disagree

**Comments/Action Plan**

Fleet will review the vehicle roster on a more frequent basis and will be working with our Risk and Insurance Management team to establish a process to ensure updated rosters are provided annually.

**Timeline:** Q4, 2025

## E. Updating of Disposed Fleet Assets in M5 Needs to be Improved

Priority Rating

P2

**Background** When a vehicle is nearing the end of its useful life and has been approved for replacement, it is removed from active service and its status is updated to “Flagged for Disposal” in M5. Before disposal, City property and insignia, including decals, logos, radios, light bars, and racks, are removed, and the vehicle is officially decommissioned. Fleet completes an *Asset Disposal Form* for all vehicles and equipment, which includes a disposal checklist and approval from the Fleet Manager and Purchasing Manager.

After assets are approved for disposal, they are registered for auction. The City utilizes three different auctioneers, each specializing in specific types of vehicles and equipment. Decommissioned vehicles are stored at Williams Parkway before being transported to the auction house by tow truck. Once the sale is finalized, the auctioneer sends the completed paperwork and accompanying cheque to Fleet. The sale price is recorded in M5, and the asset status is changed to “Sold” which removes it from the asset listing.

**Criteria** Asset disposals should include a completed *Asset Disposal Form*, an updated unit status, auction details in M5, and the corresponding deposited cheque.

**Condition** A review of the asset disposal process found that *Asset Disposal Forms* are completed, sale prices are entered in M5, and auction cheques are deposited; however, the following was also noted:

The status of disposed units is not being updated promptly in M5. When a unit is identified for replacement, its status in M5 should be promptly changed to “Flagged for Disposal.” Once the unit is taken out of service and its plates removed, the status should be updated to “Decommissioned” to reflect that it is no longer in operation. Following its sale auction, the final status should be set to “Disposed,” which ensures the asset is removed from the active fleet list. Delays in updating these statuses can result in inaccurate fleet records and hinder effective asset management.

- 2012 JOHN DEERE GATOR 4X4 (FW12170): During the physical inventory count, a unit listed in M5 assigned to Memorial Arena could not be located. Upon further review, it was found that the unit had been sold at auction in January 2025; however, as of May 2025, it was still recorded as “Active” in M5.
- A review of seven additional vehicles and equipment assets sold at auction in January 2025 found that, as of May 2025, four were still listed as “Flagged for Disposal” and three remained marked as “Active” in M5. All of these units should have been updated to “Disposed” status to accurately reflect their removal from the fleet.
- A review of an auction invoice from December 2023 found that 3 John Deere Tractors that were sold were still showing as “Flagged for Disposal” as of May 2025. These units should be “Disposed” in M5.

Failure to update the status of disposed vehicles and equipment in M5 results in a lack of clarity regarding which assets have been decommissioned and are no longer operationally available.

**Cause** Fleet staff advised that delays in updating asset status in M5 were due to a high volume of disposal activities and recent staffing transitions, which impacted the timeliness of status updates.

**Impact** Delays in updating the status of disposed vehicles and equipment in M5 results in inaccurate and inflated asset data. This compromises the reliability of fleet data for asset lifecycle management.

#### Recommendation:

##### 5. Ensure Timely Updates of Disposed Fleet Assets in M5

The Director, Road Maintenance, Operations and Fleet should improve the process for updating the status of disposed assets in M5 to ensure timely and accurate recordkeeping.

**Management Response:** ☒ Agree ☐ Disagree

#### Comments/Action Plan

1. Fleet will develop and formalize a process for Asset Disposal.
2. Fleet will develop an SOP to ensure proper disposal and documentation is followed and captured.

**Timeline:** Q4, 2025

#### F. SOPs Need to be Developed to Standardize Fleet Administration Practices

**Priority Rating**

**P2**

**Background** Fleet Administration provides a full range of asset management functions, including vehicle acquisitions, disposals, replacements, and fleet rentals. Standard Operating Procedures (SOPs) within the Fleet are stored on their shared drive.

**Criteria** Fleet Administration SOPs are in place and updated regularly to ensure guidance is relevant and reflects intended practices.

<b>Condition</b>	<p>Currently, there are no standard operating procedures in place for Fleet Administration functions. Some of the standard forms used by Fleet Administration, such as the <i>New Vehicle/Equipment Request Form</i> and the <i>8.12 Asset Disposal Form</i> contain relevant guidance for both user departments and Fleet staff. However, these forms do not provide a complete or comprehensive guideline for executing tasks.</p> <p>Fleet Administration would benefit from formal written procedures in core areas such as:</p> <p><i>Asset Replacements</i> – including an outline of the replacement plan (e.g., Light Duty Vehicle - 10 years, Heavy Duty - 12 years), instructions on running the relevant lifecycle reports in M5, criteria used to prioritize units for replacement, required documents for the annual budget process, and all related approvals.</p> <p><i>New Acquisitions</i> – including the completion of the <i>New vehicle/Equipment Request Form</i>, the criteria used to evaluate the necessity of new vehicles and equipment, a new asset summary listing, annual budget documents, and all related approvals.</p> <p><i>Procurement</i> – including the requisition process, technical fleet specifications, participation in the Request for Proposal (RFP) evaluation, responsibilities of the contract administrator, vehicle receipt &amp; inspection, M5 data entry and all related approvals.</p> <p><i>Disposals</i> – including criteria used to prioritize units for disposal, completion of condition reports, completion of the <i>Asset Disposal Form</i>, preparation for disposal, assignment of the asset to auction, required auction sale documents, M5 data entry, and all related approvals.</p> <p><i>Rental Cars</i> – including rental car requests from user groups, rental car extension requests, upfitting of rental cars, collisions involving rental cars, rental car invoice schedules and invoice tracking, rental car returns and all related approvals.</p> <p>Current and comprehensive Fleet Administration SOPs will ensure staff have proper guidance when completing core tasks, as well as support training and onboarding.</p>
<b>Cause</b>	<p>Staff advised that due to transitions in staffing, the updating of Fleet Administration SOPs has been delayed. However, they are currently moving towards creating these SOPs.</p>
<b>Impact</b>	<p>The absence of standard operating procedures can result in incomplete or inconsistent processes. This issue may be further compounded by staff turnover and the onboarding of new hires.</p>

**Recommendation:**

**6. Develop SOPs to Standardize Fleet Administration Practices**

The Director, Road Maintenance, Operations and Fleet should develop and implement standard operating procedures for Fleet Administration functions to promote a consistent, complete, and accountable approach to carrying out core tasks.

**Management Response:** ☒ Agree ☐ Disagree

**Comments/Action Plan**

Fleet will develop and create formalized SOPs, including guidelines to ensure all core Fleet Administration functions are formally documented.

**Timeline:** Q4, 2025



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## Audit Objectives, Scope and Methodology

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### Objectives

This audit aimed to review processes and controls around fleet asset management to ensure they are adequately designed and operating effectively. Specifically, the objectives of this engagement included assessing whether Fleet has:

- established appropriate policies and procedures to support effective, consistent, and accountable asset management operations.
- implemented processes to support effective planning and acquisitions of fleet assets.
- established controls to effectively manage and monitor fleet assets throughout their lifecycle.
- implemented procedures to oversee and monitor vehicle rentals and disposals in a controlled and efficient manner.

### Scope

Our audit scope covered fleet asset activity for the period of January 1, 2022 to December 31, 2024.

### Methodology

Our audit methodology included the following:

- reviewing reports, forms, contracts and system data related to Fleet Administration
- interviewing staff involved in the fleet asset management process
- conducting sample testing and data analytics to assess the efficiency and effectiveness of fleet management processes
- conducting physical verification of selected equipment to confirm existence and verify accuracy of asset information
- conducting site visits to observe asset storage and physical security.

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# Appendix 1: List of Figures and Tables

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**List of Figures**

*Table 1. Licensed Vehicles by Category as of March 15, 2025..... 7*  
*Table 2. 2024 Vehicle Mileage..... 12*

## Appendix 2: Criteria for Assigning Ratings to Audit Findings

Priority Rating	Description
<b>Priority 1 (P1)</b>	<p>One or more of the following conditions exist that require immediate attention of the Senior Leadership Team. Corrective actions by Senior Management must be implemented.</p> <ul style="list-style-type: none"> <li>• Financial impact of both actual and potential losses is material</li> <li>• Management's actions, or lack thereof, have resulted in the compromise of a key process or control, which requires immediate significant efforts and/or resources (including time, financial commitments, etc.) to mitigate associated risks. Failure by Management to remedy such deficiencies on a timely basis will result in the City being exposed to immediate risk and/or financial loss</li> <li>• One more of the following conditions is true: i) management failed to identify key risks, ii) management failed to implement process and controls to mitigate key risks</li> <li>• Management's actions, or lack thereof, have resulted in a key initiative to be significantly impacted or delayed, and the financial support for such initiative will likely be compromised</li> <li>• Management failed to implement effective control environment or provide adequate oversight, resulting in a negative pervasive impact on the City or potential fraudulent acts by City staff</li> <li>• Fraud by Management or staff, as defined by the <i>Corporate Fraud Prevention Policy</i> (Policy 2.14)</li> </ul>
<b>Priority 2 (P2)</b>	<p>One or more of the following conditions exist that require attention by Senior Management. Corrective actions by Management should be implemented.</p> <ul style="list-style-type: none"> <li>• Financial impact of both actual and potential losses is significant</li> <li>• Management's actions, or lack thereof, may result in a key process or control to be compromised, which requires considerable efforts and/or resources (including time, financial commitments etc.) to mitigate associated risks</li> <li>• Management correctly identified key risks and have implemented processes and controls to mitigate such risks, however, one or more of the following is true: i) the processes and controls are not appropriate or adequate in design, ii) the processes and controls are not operating effectively on a consistent basis</li> <li>• Management's actions, or lack thereof, have impacted or delayed a key initiative, and the funding for such initiative may be compromised</li> <li>• Management failed to provide effective control environment or oversight on a consistent basis, resulting in a negative impact on the respective division, or other departments</li> <li>• Management failed to comply with Council-approved policies, by-laws, regulatory requirements, etc., which may result in penalties</li> <li>• Management failed to identify or remedy key control deficiencies that may impact the effectiveness of anti-fraud programs</li> </ul>

<b>Priority 3 (P3)</b>	<p>One or more of the following conditions exist that require attention by Management. Corrective actions by Management should be implemented.</p> <ul style="list-style-type: none"> <li>• Financial impact of both actual and potential losses is insignificant</li> <li>• A non-key process or control, if compromised, may require some efforts and/or resources (including time, financial commitments, etc.) to mitigate associated risks</li> <li>• Processes and controls to mitigate risks are in place; however, opportunities exist to further enhance the effectiveness or efficiency of such processes and controls. Management oversight exists to ensure key processes and controls are operating effectively</li> <li>• Minimal risk of non-compliance to Council-approved policies, by-laws, regulatory requirements, etc.</li> <li>• Low impact to the City's strategic or key initiative</li> <li>• Low impact to the City's operations</li> </ul>
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