Fleet Management Audit Report
25-03

Internal Audit Division
February 2025

Fleet Management Audit 25-03

Executive Summary

The Office of the Comptroller of Public Accounts (CPA) oversees the vehicle fleet management program for the state of Texas through the Office of Vehicle Fleet Management (OVFM). The Texas State Vehicle Fleet Management Plan developed by the OVFM mandates fleet management guidelines for state agencies and compliance with operational requirements including fleet size limits, maintenance, utilization, and reporting. The Department of Motor Vehicles (TxDMV or Department) is responsible for ensuring that processes and procedures align with the State Fleet Plan for monitoring and maintaining its fleet.

WHAT WE FOUND
The audit found that audit processes are at a Level 3 - Established: The function achieves its purpose in an organized way, following established processes, but those processes may not be consistently followed, well communicated, or documented.

- **Observation:** TxDMV fleet drivers are satisfied with the services provided by the Department.
- **Result #1:** The Department generally reported data accurately, however, improvements can be made.
- **Result #2:** While the Department ensured preventative maintenance was performed it was not always within the scheduled timeframe.

WHAT WE RECOMMEND
IAD made recommendations in this audit related to the following areas:

Develop policies and procedures to reflect current processes for reporting data, monitoring and performing vehicle maintenance.

Consider maximizing the utilization of existing systems to incorporate record keeping and ensure preventative maintenance is performed timely.

Consider maximizing the utilization of existing systems to track and monitor fleet data to ensure reporting accuracy.

Ensure vehicle cleanliness and consistent application of current TxDMV logos on fleet vehicles.

Table of Contents

Background

The Finance and Operations (FAO) Division's Fleet Services Section provides centralized services, daily resources, and support, while maintaining and monitoring the TxDMV fleet. Staff located at Headquarters and the Austin Regional Service Center (RSC) use fleet services for vehicle reservations, while staff located at other regional service centers make reservations through the RSC manager.

TxDMV operates 16 RSCs, each equipped with 1 to 4 fleet vehicles. According to the Texas Fleet System, the number of vehicles assigned per division are:

- Enforcement - 36
- Vehicle Title & Registration - 16
- Finance and Operations - 13
- Executive Director's Office - 1
- Office of Administrative Hearings – 1.

FAO staff monitor the Department's fleet to detect under and over utilization of fleet vehicles. Over or underutilized vehicles are exchanged with one another to ensure that vehicles wear equally. Staff are also tasked with monitoring vehicle registrations, required preventative maintenance, and related expenses.

In Fiscal Year 2024, the TxDMV fleet consisted of 67 fleet vehicles, including 60 vehicles carried forward from Fiscal Year 2023 and 7 newly acquired vehicles. As shown in Figure 1, a total of 202 TxDMV employees (drivers) traveled 376,253 miles throughout the state during Fiscal Year 2024.

Figure 1:Utlization of Fleet Services

Total Drivers	Miles Traveled	Hours Traveled
202	376,253	8,364

Strengths
- The Department leverages technology and automation within its IT systems to ensure vehicles are monitored and can be accessed 24/7.
- The Fleet Services Section collaborates with other divisions ensuring utilization of the fleet and manages multiple activities all while providing consistent service.

Audit Engagement Team
The audit was performed by Sonja Murillo (Senior Internal Auditor), Terry Berkley (Internal Auditor), and Jason Gonzalez (Internal Audit Director).

Audit Results

### Observation: TxDMV employees are satisfied with the Department's fleet services.

Internal Audit conducted a survey of TxDMV employees that were identified as drivers of a fleet vehicle during Fiscal Year 2024. IAD identified 197 total drivers (excluding 4 Fleet Services staff and 1 miscellaneous driver) and provided the survey via email. 62 of 197 (31%) employees surveyed provided a response. The survey consisted of seven questions, one overall satisfaction rating and an open comment box. As shown in Figure 2, Fleet Services received an overall satisfaction rating of 4.36 out of 5, with 1 being the lowest rating and 5 being the highest rating.

Figure 2: Satisfaction Rating

Respondents were asked to provide an opinion on three survey topics: reservations, condition of vehicle, and the use of technology. As shown in Figure 3, 14 responses indicated room for improvement in the reservation process, 17 responses indicated issues with vehicle condition, and 10 responses indicated issues with using fleet management technology.

Figure 3: Areas of Improvement
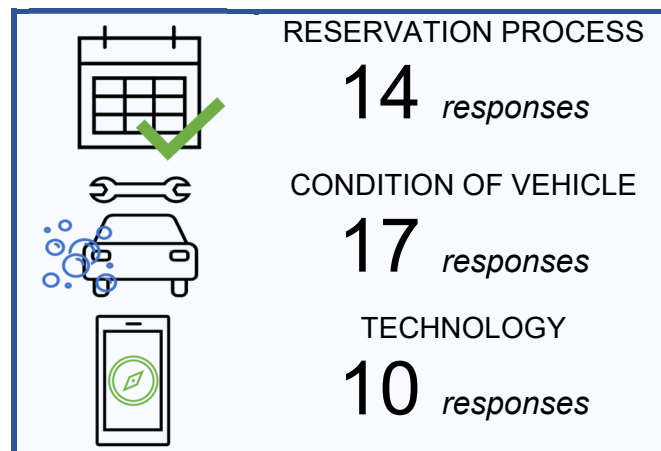
Audit Results #1: The Department generally reported data accurately, however, improvements can be made.

The Texas Vehicle Fleet Management Plan provides state agencies with procedures required to maintain an agency fleet. State agencies are required to submit their vehicle fleet reports on a quarterly basis to Texas Fleet System (TxFS). The Department uses a third-party fleet management system called Samsara to monitor the Department 's fleet. Samsara is a GPS tracking and monitoring system that enables Fleet Services to obtain real time data regarding its fleet. The data collected and analyzed includes location, mileage, maintenance schedules, and maintenance expenses.

Fleet Services performs a monthly reconciliation, as shown in Figure 4, by retrieving a report of all 70 vehicles from Samsara with current odometer readings, vehicle assignments and locations. Next, Fleet Services reconciles receipts with the expense report and updates the system of record (TxFS). IAD reviewed a total of 630 individual data points such as asset name, year make and model, and assigned location reported to the TxFS and determined that 93% of the reported data was accurate.

Examples of inaccuracies included: 13 vehicles did not have the correct assigned division, 11 vehicles had an odometer reading that was 9% over what was indicated in TxFS, and 10 vehicles did not have the correct location (county) assigned.

Figure 4: Reconciliation Process
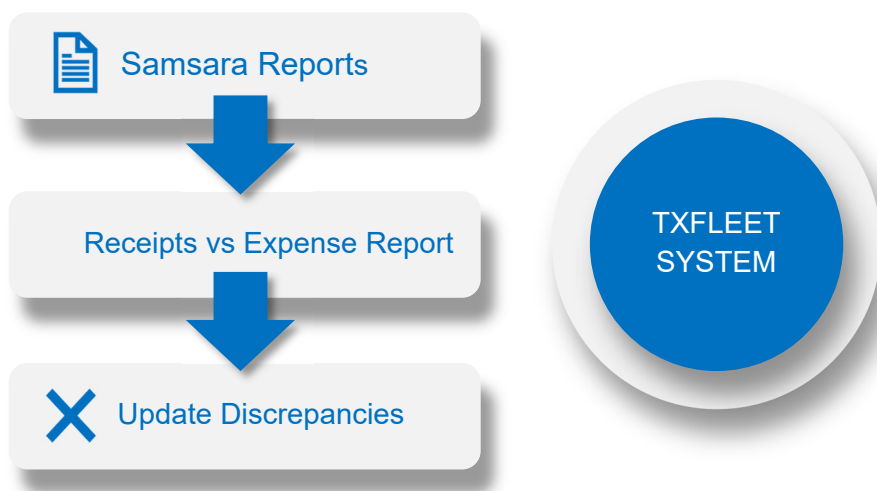
Site Visit

In addition to reviewing data reported in TxFS, IAD conducted site visits to physically inspect vehicles. IAD selected the three Regional Service Centers with the highest number of fleet vehicles assigned for review. According to TxFS, the San Antonio RSC had a total of 4 vehicles assigned, the Houston RSC had a total of 8 vehicles assigned, and Travis County (comprised of the Austin RCS and TxDMV Headquarters) had a total of 28 vehicles assigned.

IAD determined that 8 of 40 (20%) vehicles selected were not located at the assigned RSC indicated in TxFS. These vehicles had been relocated, however, TxFS had not been updated to

reflect the new location. IAD also identified a vehicle at the Houston RSC that was assigned in TxFS to the El Paso RSC.

Finally, IAD identified two vehicles that did not have current registration, three vehicles that did not have updated TxDMV logos (see in Figure 5), and two vehicles that had not received a recent car wash.

Figure 5: Prior Logo vs Current Logo

Prior TxDMV Fleet Vehicle Logo
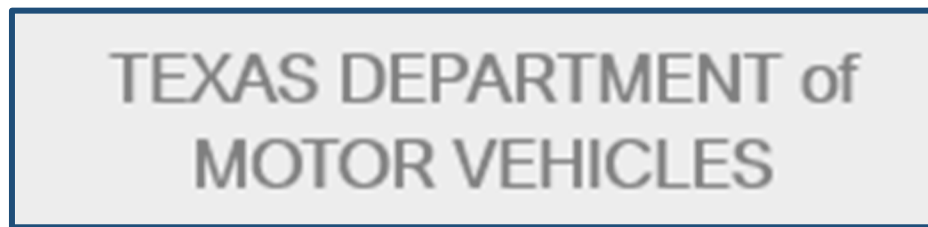
Current TxDMV Vehicle Logo
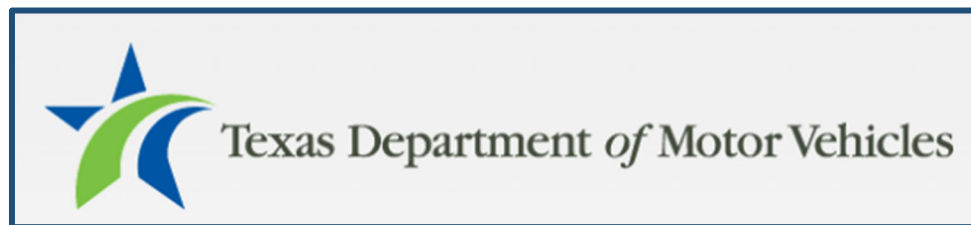
Inaccurate data in the system of record could lead to OVFM reporting inaccurate TxDMV fleet data to the legislature. According to Fleet Services, in Fiscal Year 2024 Fleet Services was experiencing turnover and restructuring that led to deviation from processes including updating fleet data into TxFS.

Recommendations

1.   The Department should develop policies and procedures to reflect current practices for reporting fleet data to TxFS.

2.   The Department should consider maximizing the utilization of existing systems to track and monitor fleet data to ensure its accuracy when reported to TxFS.

3.   The Department should ensure vehicle cleanliness and that current TxDMV logos are consistently applied to Fleet Vehicles.

Audit Results #2: While the Department ensured preventative maintenance was performed it was not always within the scheduled timeframe.

Per the Fleet Operations Manual, drivers and custodians are responsible for ensuring that preventative maintenance and any necessary repairs are performed as prescribed by the vehicle manufacturer owner's manual or at the discretion TxDMV Fleet Services. TxDMV Fleet Services monitors upcoming preventative maintenance requirements for fleet vehicles using the Samsara system to create and monitor maintenance schedules according to each vehicle owner's manual.

IAD reviewed preventative (routine) maintenance that is to be performed, including oil changes, tire rotations, as well as additional items like brakes, batteries, and wiper blades. IAD determined that oil changes and tire rotations were essential maintenance that if not performed could have the greatest impact on the fleet.

IAD selected all TxDMV fleet vehicles for review and determined that 54 (81%) of 67 vehicles had preventative maintenance performed according to maintenance schedules. However, 13 of 67 (19%) did not receive maintenance as required:

- 6 vehicles did not receive an oil change or tire rotation according to the maintenance schedules;
- 4 vehicles did not receive an oil change within the period detailed in the maintenance schedules; and,
- 3 vehicles did not receive a tire rotation according to maintenance schedules.

Proper fleet vehicle maintenance is important because it not only enhances driver safety but also lowers the cost of fuel, saves the agency on costly repairs, and saves time by avoiding breakdowns (see Figure 6). According to Fleet Services, in Fiscal Year 2024 the section was understaffed with only two full-time employees, which led to inefficiencies as prioritization of activities was required due to capacity restraints.

Figure 6: Importance of Vehicle Maintenance

SAVES MONEY   SAVES FUEL   LESS REPAIRS

Recommendations

4.   The Department should develop policies and procedures for Fleet Services to reflect current practices for monitoring and performing vehicle maintenance.

5.   The Department should consider maximizing the utilization of existing systems to incorporate record keeping and ensure preventative maintenance is performed timely.

Appendix 1: Objectives, Scope, Methodology, and Rating Information

Objectives

To evaluate the effectiveness of fleet monitoring, vehicle maintenance and compliance with the State Fleet Plan.

Scope and Methodology

The scope of the Fleet Management Audit included vehicles that were part of the fleet during September 1, 2023 through August 31, 2024.

Information and documents evaluated in the audit included the following:

- Interviewed Fleet Operations senior management and staff
- Reviewed the State Fleet Plan
- Reviewed the Fleet Operations Manual
- Performed walk-through of Internal IT System, Samsara
- Performed walk-through of the vehicle reservation process
- Obtained and analyzed TxDMV fleet vehicle list
- Selected a sample of 40 vehicles for site visit review
- Performed on-site inspection of selected vehicles
- Selected all vehicles and assets for data accuracy review
- Created a flowchart of the Reservation Process
- Obtained and analyzed TxDMV list of drivers during audit scope
- Created client satisfaction survey
- Surveyed all employees that were identified as drivers during audit scope.

This audit was included in the FY25 Internal Audit Plan. IAD conducted this performance audit in accordance with Generally Accepted Government Auditing Standards and in conformance with the Internal Standards for the Professional Practice of Internal Auditing. Those standards require that IAD plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for findings and conclusions based on our audit objectives. IAD believes that the evidence obtained provides a reasonable basis for the findings and conclusions based on the audit object.

Report Distribution

In accordance with the Texas Internal Auditing Act, this report is distributed to the Board of the Texas Department of Motor Vehicles, Governor's Office of Budget, Planning, and Policy, Legislative Budget Board, and the State Auditor's Office.

Ratings Information

Maturity Assessment Rating Definition

IAD derived the maturity assessment ratings and definitions from the Control Objectives of Information and Related Technologies (COBIT) 5 IT Governance Framework and Maturity Model, the Enterprise Risk Management (ERM) Maturity Model, and the ISACA Maturity Model.

The model was adapted for assurance audit purposes and does not provide a guarantee against reporting misstatement and reliability, non-compliance, or operational impacts. The ratings and definitions are provided in Table 1.

Table 1. Maturity Assessment/Process Capability Rating Definitions

Rating	Name	Definition
1	Minimal	The function may have policies and procedures established for some activities but relies on intuition and handles issues on an ad-hoc basis.
2	Informal and Reactive	The function achieves its purpose with basic processes and activities that are not very organized or followed.
3	Established	The function achieves its purpose in an organized way, following established processes, but those processes may not be consistently followed or well communicated.
4	Predictable	The function fully achieves its purpose, is well-defined, and its performance is quantitatively measured. The function is fully integrated within the Department, the function has full resources to achieve business objectives, and policies and procedures are regularly improved.
5	Optimized	The function fully achieves its purpose, is well-defined, and its performance is quantitatively measured. There is continuous improvement that is pursued, and technology is heavily leveraged to automate workflow and improve quality and effectiveness of processes.

Appendix 2: Internal Audit Division: Fleet Services Client Feedback Survey.

Internal Audit Division: Fleet Services Client Feedback Survey

The Internal Audit Division is conducting an audit of Fleet Operations and would like to hear from you! Please provide feedback on your experience with Fleet Operations and driving a TXDMV fleet vehicle.

1. I can reserve a fleet vehicle with ease.

- ◯ **Strongly Disagree**
- ◯ **Disagree**
- ◯ **Neither Agree nor Disagree**
- ◯ **Agree**
- ◯ **Strongly agree**

2. The vehicle type/size I need is always available.

- ◯ **Strongly Disagree**
- ◯ **Disagree**
- ◯ **Neither Agree nor Disagree**
- ◯ **Agree**
- ◯ **Strongly agree**

3. I can pick-up the reserved fleet vehicle with ease.

- ◯ **Strongly Disagree**
- ◯ **Disagree**
- ◯ **Neither Agree nor Disagree**
- ◯ **Agree**
- ◯ **Strongly agree**

4. The fleet vehicle is clean and/or orderly at pick-up.

- ◯ **Strongly Disagree**
- ◯ **Disagree**
- ◯ **Neither Agree nor Disagree**
- ◯ **Agree**
- ◯ **Strongly agree**

5. The fleet vehicle did not require routine maintenance during travel. (oil change, washer fluid, bald tires etc.)

- ◯ **Strongly Disagree**
- ◯ **Disagree**
- ◯ **Neither Agree nor Disagree**
- ◯ **Agree**
- ◯ **Strongly agree**

6. Fleet staff provide prompt assistance when experiencing vehicle issues or incidents.

- ○ **Strongly Disagree**
- ○ **Disagree**
- ○ **Neither Agree nor Disagree**
- ○ **Agree**
- ○ **Strongly agree**

7. The Samsara driver app is convenient and easy to use.

- ○ **Strongly Disagree**
- ○ **Disagree**
- ○ **Neither Agree nor Disagree**
- ○ **Agree**
- ○ **Strongly agree**

8. On a scale of 1-5, how satisfied are you with Fleet Services?

☆☆☆☆☆

Please share any additional comments or questions

Appendix 3: Management Response and Action Plan

The Finance & Operations Division provided the following response:

Recommendation	Responsible Department and Section/Unit	Management Response	Completion Date
1. The Department should develop policies and procedures to reflect current practices for reporting fleet data to TxFS.	Finance and Operations, Director of Operations	Division management agrees with the recommendation and will develop and document an updated process to collect the required fleet data and ensure it is uploaded to TxFS timely and accurately.	August 31, 2025
2. The Department should consider maximizing the utilization of existing systems to track and monitor fleet data to ensure its accuracy when reported to TxFS.	Finance and Operations, Director of Operations	Division management agrees with the recommendation and will ensure vehicles are assigned to appropriate divisions/locations. Additionally, the Asset Management team will review the current process utilizing the third-party Samsara system to accurately update TxFS systems. Also, division staff will update procedures to include a communication process that includes vehicle drivers/operators and division leadership to ensure that all necessary information, including vehicle location, is entered into the Samsara and TxFS.	August 31, 2025
3. The Department should ensure cleanliness and that current TxDMV logos are consistently applied to Fleet Vehicles.	Finance and Operations, Director of Operations	Division management agrees with the recommendation and will update current practices to clarify the roles and responsibilities of operators. This will emphasize the importance of assisting the agency in keeping fleet vehicles well maintained and clean. Additionally, division staff will conduct Austin HQ fleet inspections to ensure cleanliness of vehicles and work with vehicle operators to take their fleet vehicles to a local body shop to apply the new decal.	August 31, 2025
4. The Department should develop policies and procedures for Fleet Services to reflect current practices for	Finance and Operations, Director of Operations	Division management agrees with the recommendation and will review and update existing policies and procedures to reflect the department's changing operational environment as we expand the number of fleet vehicles. The updated	August 31, 2025

Recommendation	Responsible Department and Section/Unit	Management Response	Completion Date
monitoring and performing vehicle maintenance.		procedures will include a communication process that includes vehicle drivers/operators and division leadership to ensure that maintenance issues are addressed timely for all vehicles in accordance with the new policy.	
5. The Department should consider maximizing the utilization of existing systems to incorporate record keeping and ensure preventative maintenance is performed timely.	Finance and Operations, Director of Operations	Division management agrees with the recommendation and will develop a process to streamline the current maintenance and reporting procedures. This will ensure data points are accurate and shared with fleet operators and their division leadership.	August 31, 2025