

LOUISIANA DEPARTMENT OF
AGRICULTURE AND FORESTRY
FLEET AND FACILITY MAINTENANCE PROGRAM



PERFORMANCE AUDIT
ISSUED JANUARY 28, 2009

**LEGISLATIVE AUDITOR
1600 NORTH THIRD STREET
POST OFFICE BOX 94397
BATON ROUGE, LOUISIANA 70804-9397**

LEGISLATIVE AUDIT ADVISORY COUNCIL
REPRESENTATIVE NOBLE E. ELLINGTON, CHAIRMAN

SENATOR NICHOLAS "NICK" GAUTREAUX
SENATOR WILLIE L. MOUNT
SENATOR EDWIN R. MURRAY
SENATOR BEN W. NEVERS, SR.
SENATOR JOHN R. SMITH
REPRESENTATIVE NEIL C. ABRAMSON
REPRESENTATIVE CHARLES E. "CHUCK" KLECKLEY
REPRESENTATIVE ANTHONY V. LIGI, JR.
REPRESENTATIVE CEDRIC RICHMOND

LEGISLATIVE AUDITOR
STEVE J. THERIOT, CPA

DIRECTOR OF PERFORMANCE AUDIT
DAVID K. GREER, CPA

FOR QUESTIONS RELATED TO THIS PERFORMANCE AUDIT, CONTACT
MIKE BATTLE, PERFORMANCE AUDIT MANAGER,
AT 225-339-3800.

Under the provisions of state law, this report is a public document. A copy of this report has been submitted to the Governor, to the Attorney General, and to other public officials as required by state law. A copy of this report has been made available for public inspection at the Baton Rouge office of the Legislative Auditor.

This document is produced by the Legislative Auditor, State of Louisiana, Post Office Box 94397, Baton Rouge, Louisiana 70804-9397 in accordance with Louisiana Revised Statute 24:513. Eleven copies of this public document were produced at an approximate cost of \$36.63. This material was produced in accordance with the standards for state agencies established pursuant to R.S. 43:31. This report is available on the Legislative Auditor's Web site at www.la.la.gov. When contacting the office, you may refer to Agency ID No. 9726 or Report ID No. 40080008 for additional information.

In compliance with the Americans With Disabilities Act, if you need special assistance relative to this document, or any documents of the Legislative Auditor, please contact Wayne "Skip" Irwin, Director of Administration, at 225-339-3800.



LOUISIANA LEGISLATIVE AUDITOR
STEVE J. THERIOT, CPA

January 28, 2009

The Honorable Joel T. Chaisson, II,
President of the Senate
The Honorable Jim Tucker,
Speaker of the House of Representatives

Dear Senator Chaisson and Representative Tucker:

This report provides the results of our performance audit of the Louisiana Department of Agriculture and Forestry's (LDAF) Fleet and Facility Maintenance program, within the Office of Management and Finance. The audit was conducted under the provisions of Title 24 of the Louisiana Revised Statutes of 1950, as amended.

The report contains our findings, conclusions, and recommendations on the Fleet and Facility Maintenance program. Appendix A contains LDAF's response. I hope this report will benefit you in your legislative decision-making process.

We would like to express our appreciation to the management and staff of the Office of Management and Finance for their assistance during this audit.

Sincerely,

A handwritten signature in blue ink, appearing to read "Steve J. Theriot".

Steve J. Theriot, CPA
Legislative Auditor

SJT/dl

LDAF09

Office of Legislative Auditor

Steve J. Theriot, CPA, Legislative Auditor



Louisiana Department of Agriculture and Forestry Fleet and Facility Maintenance Program

January 2009

Audit Control # 40080008

Objectives and Overall Results

We conducted a performance audit of the Louisiana Department of Agriculture and Forestry's (LDAF) Fleet and Facility Maintenance program, located within the Office of Management and Finance (OMF). We conducted our fieldwork for this audit from April 2008 until the end of September 2008. Management worked with us throughout the audit and has already begun making some of the changes recommended in this report. The objective of this audit and results are summarized below.

Objective: Is management effectively administering the department's Fleet and Facility Maintenance program?

Results: Fleet and Facility Maintenance Program management has not implemented practices to ensure the effective administration of this program. Our audit findings are as follows:

- Management does not use budgetary information to manage the program.
- Management does not possess the basic information it needs to effectively administer the program's facility maintenance function.
- Management has not developed a formal work order process for prioritizing, scheduling, and monitoring the status of fleet and facility maintenance work.
- Management does not collect the performance data necessary to measure productivity and guide management decision-making.

Audit Initiation, Scope and Methodology

We conducted this performance audit under the provisions of Title 24 of the Louisiana Revised Statutes of 1950, as amended. In accordance with the law, the legislative auditor developed a plan scheduling a performance audit of LDAF.

In consultation with the LDAF commissioner, we decided to focus our audit efforts on the effectiveness with which the department manages various programs. This audit is the second performance audit we have conducted under the new LDAF administration.¹ We issued our first audit, which addressed management issues within the Office of Forestry, in July 2008.

We conducted this performance audit in accordance with generally accepted government auditing standards. These 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 objective. To answer our objective, we performed the following audit steps:

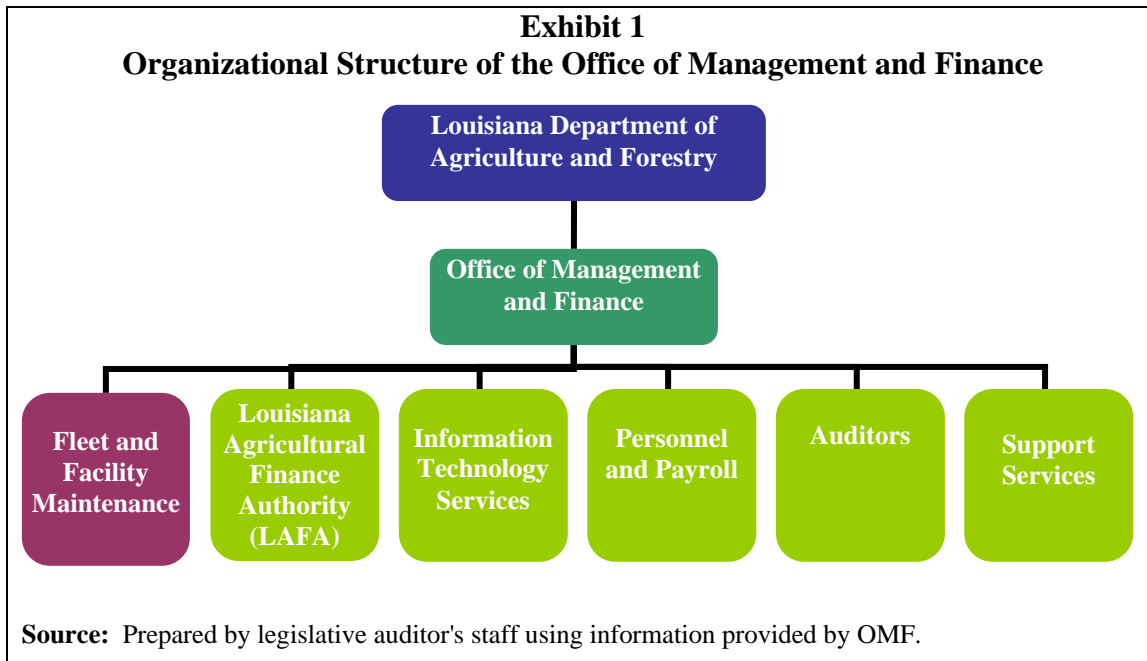
- Interviewed the assistant director of LAFA and other program personnel (e.g., shop supervisors, administrative coordinators, program coordinators) regarding current fleet and facility maintenance activities and processes, including mission and responsibilities
- Interviewed other key personnel within OMF (e.g., Director of Administrative Services, Fleet Management Director, Human Resources) regarding issues related to management of the Fleet and Facility Maintenance program
- Obtained and reviewed data from OMF regarding the fiscal year 2008 and 2009 operating budgets
- Toured Fleet and Facility Maintenance shops in all five locations: Baton Rouge, Hammond, Haughton, Monroe, and Woodworth
- Interviewed officials at relevant agencies (e.g., Office of State Buildings, Louisiana State Police, Department of Wildlife and Fisheries, Louisiana Property Assistance Agency) regarding their fleet and facility maintenance activities to identify potential best practices
- Compiled best practice information regarding management of fleet and facility maintenance programs from various industry handbooks--*Fleet Management* (Dolce), *Facilities Maintenance Management* (Magee), *Uptime: Strategies for Excellence in Maintenance Management* (Campbell), *Facilities Manager's Portable Handbook* (Lewis), and *Building Maintenance Management* (Shear)
- Obtained additional best practice information regarding fleet maintenance management from the federal government's General Services Administration Web site and the Utah Fleet Service Web site

Appendix A contains LDAF's response to this report.

¹ Commissioner Mike Strain and his administration took office on January 14, 2008.

Overview of the Fleet and Facility Maintenance Program

Organizational Structure. The Fleet and Facility Maintenance program is organizationally located within OMF (see Exhibit 1). The assistant director of the Louisiana Agricultural Finance Authority (LAFA) is responsible for managing this program.



Program Mission and Responsibilities

Facility Maintenance. The mission of the Fleet and Facility Maintenance program, with respect to the facility maintenance function, is to provide for the operation, maintenance, and safety/security of all building facilities owned by LDAF or LAFA. The program is responsible for maintaining approximately 253 buildings and 106 properties. The cost of these assets is at least \$39.2 million. While LDAF or LAFA own all of the buildings, they lease most of the properties.

Examples of the program’s responsibilities regarding facility maintenance include the following:

- Provides for the operation and maintenance of heating, ventilation, and air conditioning (HVAC), electrical, and plumbing equipment
- Conducts regular building inspections for the purpose of maintaining the facility, buildings and its systems

Fleet Maintenance. The Fleet and Facility Maintenance program is responsible for maintaining a fleet of 898 road licensed vehicles, 263 trailers, 167 tractors, and 121 other types of equipment (e.g., forklifts, all-terrain vehicles (ATVs), excavators). The total value of the fleet, as of August 21, 2008, was approximately \$43.5 million. Currently, management has not developed a mission for the program’s fleet maintenance function. However, we identified the following responsibilities of the program:

- Oversees all LAFA/departmental heavy mobile equipment (e.g., bulldozers, backhoes), fleet vehicles (e.g., cars, trucks) and other miscellaneous equipment (e.g., trailers)
- Establishes and maintains vehicular maintenance and operational/safety policies

Personnel. The Fleet and Facility Maintenance program has 61 full-time employees, including mechanics, maintenance repairers, welders, painters, electricians, and administrative coordinators. These employees are located in five district offices located throughout the state. These locations include Baton Rouge, Hammond, Haughton, Monroe, and Woodworth. Each location consists of one or more types of shops. At times, maintenance shop employees travel to different areas of the state to conduct needed maintenance activities (e.g., carpentry, painting) on LDAF and LAFA facilities. Exhibit 2 depicts a breakdown of Fleet and Facility Maintenance employees by location and shop type.

Exhibit 2
Breakdown of Employees by Location and Shop
As of October 23, 2008

Location	Shop Type				Total Employees
	Facility Maintenance	Auto	Welding	Body Shop	
Baton Rouge	7 ²	4	1		12
Hammond	3	3	1		7
Haughton	2	4	1		7
Monroe	5	4			9
Woodworth	13 ³	7	3	3	26
Total					61
Source: Prepared by legislative auditor’s staff using information obtained from ISIS ⁴ and Fleet and Facility Maintenance officials.					

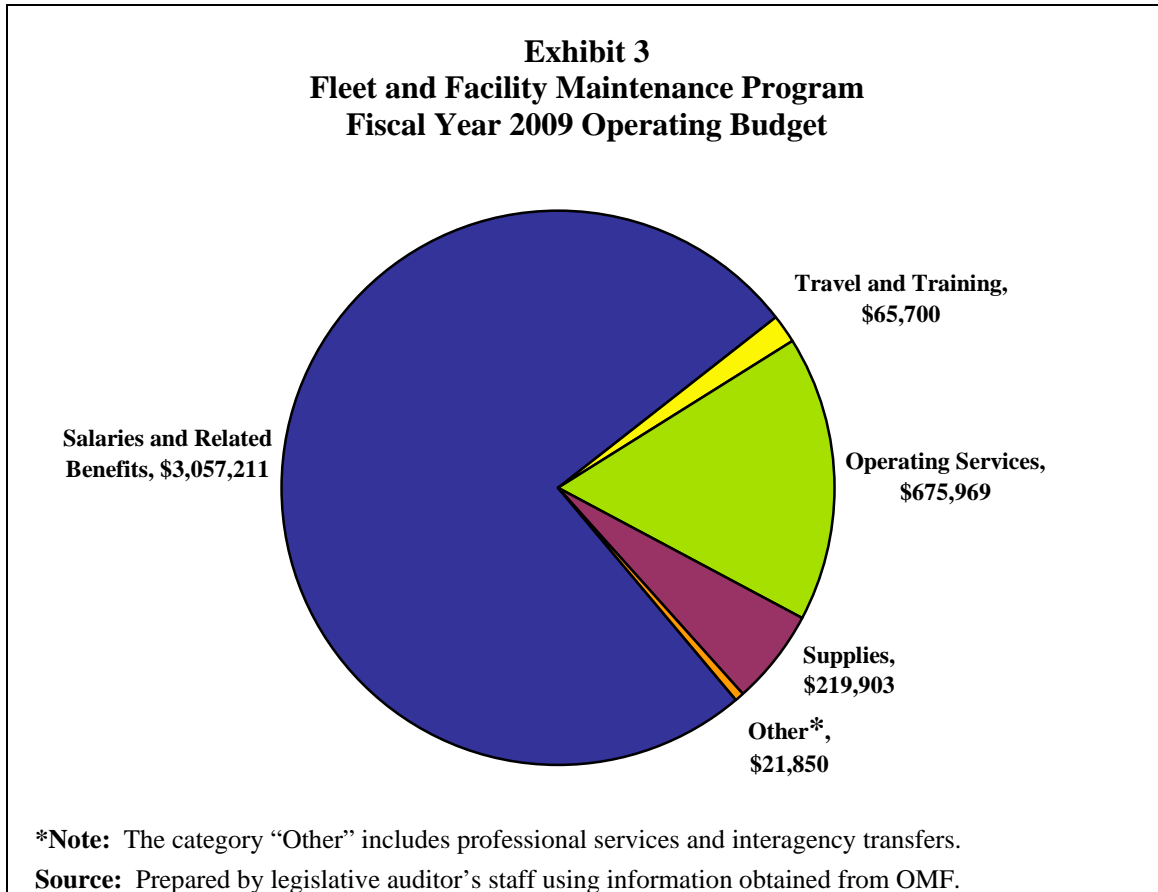
Budget. The Fleet and Facility Maintenance program’s operating budget for fiscal year 2008-2009 is approximately \$4 million. This budget does not include money for fleet parts. Instead, Administrative Services within OMF purchases the auto parts and charges them to the various cost centers on a quarterly basis. During fiscal year 2007-2008, LDAF spent approximately \$509,000 on fleet parts.

² The maintenance shop in Baton Rouge includes a carpentry shop and a paint shop.

³ The maintenance shop in Woodworth includes a carpentry shop.

⁴ ISIS is an integrated information system that handles the majority of state agencies’ accounting processes.

Exhibit 3 shows the breakdown of the program's fiscal year 2008-2009 operating budget.



Objective: Is management effectively administering the department's Fleet and Facility Maintenance program?

Fleet and Facility Maintenance program management has not implemented practices to ensure the effective administration of this program. Our audit findings describe the weaknesses we found with management's current practices and include recommendations that are intended to assist management in addressing and correcting these weaknesses. Management worked with us throughout the audit and has already begun implementing some of these recommendations. Our findings are as follows:

Management does not use budgetary information to manage the program.

Under the previous administration, management did not receive information such as expenditures, encumbrances, and remaining budget amounts to enable them to monitor and proactively manage the program on an on-going basis. As a result, management did not have the necessary financial information to guide decision-making. While the new administration is

working to provide management with this information, management has not had comprehensive budget information to drive its decisions. In addition, management has not received the training, nor does it possess the experience to use the information to manage the program. For example, while the new administration sought input from Fleet and Facility Maintenance personnel for this year's budget, only one employee had the experience and knowledge to assist with developing a budget.

To effectively manage the program and ensure that it is meeting its mission in an efficient and cost-effective manner, Fleet and Facility Maintenance officials need access to reliable financial information in a timely and consistent manner. Officials then need to use this information to make management decisions. According to our best practices research, the purpose of a budget is to ensure that the goals and objectives of the program are being attained or have been accomplished. Advantages of using a budget to manage a fleet and facility maintenance program include the following:

- Allows for the planning of maintenance activities in detail
- Promotes efficient allocation of resources
- Provides a means of analyzing all the preventive maintenance and non-routine activities, including their costs, on a systematic basis
- Assists with planning, communication, and control at all levels of the program by providing information in an organized manner

Without using budgetary information as a tool to monitor and manage the program, Fleet and Facility Maintenance officials will have difficulty ensuring that the program is meeting its mission and operating in the most efficient and cost-effective manner. For example, the program overspent its budget by approximately \$792,000 during fiscal year 2007-2008. Using budgetary information to manage the program should assist in preventing overspending in future years.

Recommendation 1: OMF should continue to consult with management when determining the budget for the Fleet and Facility Maintenance program. In developing the budget, OMF should consider breaking the program budget down by location and shop type.

Summary of Management's Response: LDAF agrees with this recommendation. The appropriate staff has met and a budget for maintenance of existing LAFA facilities has been established. Both the director and assistant director of LAFA review the actual expenses and the budgeted projection on a monthly basis.

In addition, the budget for fleet maintenance makes use of shop tickets that provide pertinent information (including vehicle number, mileage, and other information) for each repair and work order. This information is broken down by location and LDAF program.

Recommendation 2: Management should coordinate with OMF to ensure it receives the budgetary information and training it needs to manage the program.

Summary of Management's Response: LDAF agrees with this recommendation. LAFA now has an operational budget for 2008-2009 facility maintenance and a budget for the fleet. With both budgets in place, LAFA and LDAF can better manage the programs by reviewing and adjusting the budgets as needed.

Recommendation 3: Management should use the budgetary information and training it receives from OMF to manage and monitor the program on an on-going basis.

Summary of Management's Response: LDAF agrees with this recommendation. Budgets are used by the programs and monitored on an on-going basis. The department will use the budget information to guide expenditure decisions throughout the year.

Management does not possess the basic information it needs to effectively administer the program's facility maintenance function.

Management does not have a comprehensive inventory of the facilities it is responsible for maintaining. For the facilities it is aware of, management does not have comprehensive repair histories of the facilities and the components⁵ of these facilities. In addition, management does not track the corrective maintenance⁶ or preventive maintenance⁷ its employees perform.

Management needs a comprehensive listing of the facilities it is responsible for maintaining to ensure that the program is meeting its mission and effectively maintaining all required facilities. Management also needs the repair histories of each facility and its components to develop a meaningful program budget and make cost-effective decisions regarding the replacement or repair of facility components. Management can use this information to create preventive maintenance plans for its facilities. These plans can assist in preventing short-term failures and emergency repairs, extending the useful life of a facility or facility component, and promoting more disciplined inspections by program personnel. These plans help minimize facility maintenance costs across the organization.

According to our best practices research, facility maintenance organizations should possess a complete history for each facility and component of the facility that it is responsible for maintaining. These histories should include information on each facility's construction, all building modifications, and results from periodic inspections. For each component of the facility, the histories should include the make and model of the equipment, date of installation, and all major and recurrent minor repairs.

⁵ Facility components refer to the equipment/machines in a facility, such as the heating and cooling systems, that contribute to the usefulness of the facility.

⁶ Corrective maintenance is unplanned, non-preventive maintenance work that repairs an operational device or facility.

⁷ Preventive maintenance is any work performed to an operational device or facility to continue operating at its proper efficiency without interruptions.

Recommendation 4: Management should develop an accurate inventory of the facilities and properties it is responsible for maintaining.

Summary of Management's Response: LDAF agrees with this recommendation and has updated the list of facilities and properties.

Recommendation 5: Management should establish a formal process for collecting and storing basic information on each facility and facility components. This includes information such as construction history, building modifications, make and model of equipment, and repair histories.

Summary of Management's Response: LDAF agrees with this recommendation. All shop locations now have up-to-date maintenance binders that contain past history and current maintenance/repair information.

Management has not developed a formal work order process for prioritizing, scheduling, and monitoring the status of fleet and facility maintenance work.

Management has not developed a system for prioritizing fleet or facility maintenance requests. In addition, the processes for scheduling the status of maintenance requests vary among the fleet and facility maintenance shops. Finally, some maintenance shops monitor the status of work requests, but there is no formal system to show the status at all stages (e.g., beginning, in-progress, complete). Some shops do not monitor status of work requests at all.

Fleet Maintenance. Management has not developed a system to prioritize work and ensure that employees address the most urgent fleet maintenance requests in a timely manner. In addition, the processes for scheduling fleet maintenance activities vary depending on the specific shop. For example, the administrative assistant at the Hammond shop schedules fleet maintenance activities using an appointment book, the superintendent in Monroe schedules activities using a dry-erase board and a desk calendar, and the supervisor in Woodworth schedules activities using a notepad.

In addition, management has no formal process for electronically monitoring the status of new requests or requests that are in-progress. Instead, mechanics fill out paper repair order tickets for the fleet maintenance activities they perform. Only after the repair is complete does an administrative assistant enter the repair order information into an electronic fleet management system.⁸

Facility Maintenance. Similar to fleet maintenance, management has not developed a classification system for prioritizing facility maintenance requests. In addition, the processes for scheduling fleet maintenance activities vary depending on the specific shop. For example, in

⁸ Until June 30, 2008, LDAF electronically tracked vehicle maintenance on the department's own Paradox system. As of July 1, 2008, LDAF started using the Louisiana Property Assistance Agency's Protégé system.

Hammond, LDAF employees submit paper work order forms, created by the administrative assistant, to request facility maintenance work. The assistant does not formally schedule jobs but uses the paper forms to direct jobs to begin. To schedule facility maintenance activities in the Baton Rouge area, LDAF employees call or e-mail the Baton Rouge administrative assistant. In Haughton, Monroe, and Woodworth, LDAF employees speak with the maintenance personnel directly.

The administrative assistant in Hammond also uses these paper forms to monitor the status of facility maintenance requests in the district. However, the remaining shops do not monitor the status of work requests at all.

Best Practices. According to our best practices research, maintenance organizations should have a formal process for prioritizing, scheduling, and monitoring work requests. The prioritization process should include criteria for evaluating each work request, such as the need, value, and urgency of the potential job. After the maintenance organization evaluates the request, it should assign the request a priority code. Without a formal prioritization system, management cannot ensure that the work that is the most urgent (i.e., could cause the most problems if neglected) is addressed before other jobs. Exhibit 4 depicts a possible classification system for facility maintenance requests.

Exhibit 4
Example of a Facility Maintenance Classification System

Priority Code	Description
P1 - Routine	Perform as time permits
P2 - Normal	Need by the end of the current week
P3 - Rush	Needed within 24 hours
P4 - 1st Priority	Needed within 2 hours
P5 - Emergency	Must be performed immediately
Source: Obtained from the Office of State Buildings' Work Control Procedure Manual.	

Our research also showed that when scheduling fleet and facility maintenance work, the maintenance organization should balance the priorities of the jobs with the availability of workers, materials, parts, supplies, and equipment. Management should consider factors such as the availability and geographic location of the job site as well as weather conditions. The maintenance organization should also use historical data to estimate how long each job should take. Through a formal scheduling system, managers can balance preventive maintenance with unplanned repairs, which could reduce the need for overtime and decrease maintenance costs.

Finally, best practices state that maintenance organizations should have work tracking systems that are tied to the organization's work scheduling systems. Without a formal method by which to monitor the status of maintenance requests, management cannot ensure that all work is completed. An effective monitoring system should identify the status of all work orders so management can monitor the progress of maintenance activities. This monitoring system will help ensure that work orders do not get lost and that they are accomplished within a reasonable

amount of time. Failure to accomplish preventive maintenance or repair work in a timely manner can lead to costly repairs and facility downtime. Furthermore, when a maintenance program does not address minor problems when they occur, the minor problems could lead to major problems.

Recommendation 6: Management should develop criteria to evaluate and classify the priority of work requests for both fleet and facility maintenance.

Summary of Management's Response: LDAF agrees with this recommendation. A work order form is currently being used at the Baton Rouge shop location on a trial basis for maintenance requests. This work order details work to be done, priorities, etc. This form will be sent to other locations to be used after it has been modified during the trial period at the Baton Rouge location.

Recommendation 7: Management should coordinate with the department's Information Technology Services (ITS) division to develop an electronic work order system that includes processes for prioritizing, scheduling, and monitoring the status of fleet and facility maintenance requests. Management should then use this system to monitor maintenance work on a daily basis.

Summary of Management's Response: LDAF agrees with this recommendation. A paper 'work order' system is being implemented first before an electronic system can be addressed. Management believes that starting with a paper system (because no formal system previously existed) is a better approach than starting with an electronic system. After the paper system has been in use, improvements are made and problems are corrected, an electronic system will be developed.

Management does not collect the performance data necessary to measure productivity and guide management decision-making.

Management does not collect comprehensive performance data on fleet and facility maintenance activities. While management collects some fleet maintenance data such as who requested the work, the employee who performed the work, and a description of the work, it does not collect the data needed to measure productivity such as labor hours used, supply costs, et cetera. In addition, management does not collect the data it needs to guide decision-making regarding inventory levels, staffing levels, and staff training needs for either the fleet or facility function.

According to our best practices research, for a maintenance department to improve its service and operations, it has to receive timely and accurate feedback regarding the efficiency and effectiveness of program operations. The consistent use of performance data is necessary for management to evaluate the efficiency and effectiveness of maintenance work. Performance

data also provides management with the information it needs to ensure that employees are performing maintenance activities as planned.

Our research identified the following examples of useful performance data management should consider collecting for both fleet and facility maintenance activities:

- Breakdown of labor-hours by maintenance activity
- Averages actual labor-hours versus estimated labor-hours per maintenance activity
- Average time to complete work orders by priority
- Average backlog of work remaining
- Quantity of preventive maintenance performed on time
- Ratio of repair work to preventive maintenance work

Analysis of these types of data can lead to the discovery of trends and potential improvements in staffing, productivity, and the physical condition of the fleet and facilities. Using such data will help management measure the program's productivity and ensure that it is managing the program in an effective manner.

Recommendation 8: Management should determine the types of data it needs to measure productivity.

Summary of Management's Response: LDAF agrees with this recommendation. Management has now determined the type of data needed to measure productivity. In order to monitor individual staff productivity, both time and supplies are currently being tracked for facilities and fleet work.

Recommendation 9: Management should coordinate with ITS to ensure the work order system discussed in Recommendation 7 is designed to collect and analyze such data electronically.

Summary of Management's Response: LDAF agrees with this recommendation. The administration feels a paper system needs to be tested and edited before establishing an electronic system. The needs of the electronic system will be established after a paper system has been in effect to assure all possible scenarios are addressed.

Recommendation 10: Management should use this data to measure productivity and guide decision-making.

Summary of Management's Response: LDAF agrees with this recommendation. Data is currently being collected to measure productivity. Future decision-making will be based on the information now being collected. To assure productivity and uniformity for all locations, a maintenance procedure manual has been sent to all locations.

APPENDIX A: MANAGEMENT'S RESPONSE



LOUISIANA DEPARTMENT OF AGRICULTURE & FORESTRY

MIKE STRAIN, DVM

COMMISSIONER



January 13, 2009

Mr. Steve J. Theriot, CPA
Louisiana Legislative Auditor
1600 North Third Street
Post Office Box 94397
Baton Rouge, Louisiana 70804

Dear Mr. Theriot:

On behalf of the Louisiana Department of Agriculture and Forestry (LDAF), thank you and your staff for the professional manner in which the performance audit of the Louisiana Agriculture Finance Authority (LAFA) was conducted. The recommendations and assistance of your staff will better enable the department to improve their services to the public.

In the past, LAFA concentrated on constructing new facilities while the oversight of the maintenance and repair of existing facilities was limited. The department's vehicle program was also not maintained at an acceptable level. New administration took office on January 14, 2008. The results of this audit will provide us the tools necessary to correct these deficiencies and create programs that will better manage fleet and facilities owned by LDAF and LAFA.

We have reviewed the draft recommendations and offer the following to be incorporated into the final report:

Issue 1. Management does not use budgetary information to manage the program.

LDAF concurs with the findings relative to Issue number 1. The previous administration did not have a formal budget for Fleet and Facility Maintenance functions. The current administration has addressed this problem by **establishing a budget** for these activities. The budget is monitored regularly to confirm the accuracy of estimates. LDAF staff will continue to meet to review the budget and actual expenses so that adjustments can be made to assure accurate numbers. The budget for facilities has been broken down by location and by expense categories such as utilities, supplies, rentals, and other categories.

Furthermore, in order to assure that only necessary items are purchased, additional oversight has been added to the purchase approval system. Shops can no longer purchase any fleet or facility maintenance item, equipment, or supplies, without first obtaining approval from the assistant director of LAFA.

Recommendation 1. OMF should continue to consult with management when determining the budget for the Fleet and Facility Maintenance program. In developing a budget, OMF should consider breaking the program budget down by location and shop type.

LDAF concurs with Recommendation 1. The appropriate staff has met and a budget for maintenance of existing LAFA facilities has been established. Both the director and assistant director of LAFA review the actual expenses and the budgeted projection on a monthly basis.

The budget for fleet maintenance makes use of shop tickets that provide pertinent vehicle information, (including vehicle unit number, mileage, and other information) for each repair and work order. Information is broken down by location and LDAF program.

Recommendation 2. Management should coordinate with OMF to ensure it receives the budgetary information and training it needs to manage the program.

LDAF concurs with Recommendation 2. LAFA now has an operational budget for 08-09 facility maintenance and a budget for the fleet. With both budgets in place, LAFA and LDAF can better manage the programs by reviewing and adjusting the budgets as needed.

Recommendation 3. Management should use the budgetary information and training it receives from OMF to manage and monitor the program on an on-going basis.

LDAF concurs with Recommendation 3. Budgets are used by the programs and monitored on an on-going basis. The department will use the budget information to guide expenditure decisions throughout the year.

Issue 2. Management does not possess the basic information it needs to effectively administer the program's facility maintenance function.

LDAF concurs with Issue 2. At the time that the auditors requested the information regarding the inventory of the facilities, the new administration was still in the process of locating and reviewing these documents. Due to this, there was minor difficulty in supplying the auditors with a comprehensive list of facilities; however, such a list of all properties, both LAFA and LDAF, is currently available.

In order to better track corrective and preventive maintenance performed by employees, the current assistant director of LAFA is implementing a program to record such maintenance at LDAF/LAFA locations. Forms and procedures are being implemented at some locations on a trial basis. After reviewing the results of this trial, the assistant director will implement appropriate procedures at all facilities. The forms will be used to compile the history of the facility, equipment information, and other pertinent information.

Recommendation 4. Management should develop an accurate inventory of the facilities and properties it is responsible for maintaining.

LDAF concurs with Recommendation 4. The previous administration provided only dated information regarding facilities or properties during transition. LDAF updated the list of facilities and properties.

Recommendation 5. Management should establish a formal process for collecting and storing basic information on each facility and facility components. This includes information such as construction history, building modifications, make and model of equipment, and repair histories.

LDAF concurs with Recommendation 5. All locations have up-to-date maintenance binders that contain past history and current maintenance/repair information.

Issue 3. Management has not developed a formal work order process for prioritizing, scheduling and monitoring the status of fleet and facility maintenance work.

LDAF concurs with Issue 3. With respect to fleet maintenance, each mechanic shop now keeps shop tickets that include time, cost, and other information which is sent to Baton Rouge to be entered into a centralized data program.

With respect to facility maintenance, a formal "Work Order Request" procedure - including detailed forms - has been implemented to assure that maintenance requests can be processed in an organized and timely manner. Currently, this procedure is being used only at the Baton Rouge location on a trial basis. Once the system has been reviewed and any changes made, the procedure will be implemented at all other locations. The form includes information such as who is making the request, location of the problem, description of the problem, priority code, progress report of the request, completion information, etc. The completed forms will be monitored by the maintenance supervisor at each location. Eventually the use of this form will be replaced with an electronic version so that each job can be tracked and scheduled electronically.

Recommendation 6. Management should develop criteria to evaluate and classify the priority or work request for both fleet and facility maintenance.

LDAF concurs with Recommendation 6. A work order form is currently being used at the Baton Rouge location on a trial basis for maintenance requests. This work order details work to be done, priorities, etc. This form will be sent to other locations to be used after it has been modified during the trial period at the Baton Rouge location. Shops are contacted for appointments for routine work while emergencies are handled on a daily basis. Routine work is done automatically with paperwork to follow. All other repairs are sent for prior approval before work can be done.

Recommendation 7. Management should coordinate with the department's Information Technology Services division to develop an electronic work order system that includes processes for prioritizing, scheduling, and monitoring the status of fleet and facility maintenance requests. Management should then use this system to monitor maintenance work on a daily basis.

LDAF concurs with Recommendation 7. A paper 'work order' system is being implemented first before an electronic system can be addressed. Management feels that starting with a paper system (because no formal system previously existed) is a better approach than starting with an electronic system. After the paper system has been in use, improvements made and problems corrected, an electronic system will be developed.

Mr. Steve J. Theriot

January 13, 2009

Page 4

Issue 4. Management does not collect the performance data necessary to measure productivity and guide management decision making.

LDAF concurs with Issue 4. Daily maintenance work reports are now being completed by all fleet and facility maintenance employees in order to track and review individual performance. These work reports are forwarded to the Baton Rouge office so that the assistant director may review and assess performance. The department intends to implement an electronic system so that the information is available to both the assistant director and supervisors at different facilities. Such a system will facilitate the supervisor's ability to monitor employee performance.

Recommendation 8. Management should determine the types of data it needs to measure productivity.

LDAF concurs with Recommendation 8. Management has now determined the type of data needed to measure productivity. In order to monitor individual staff productivity, both time and supplies are currently being tracked for facilities and fleet work.

Recommendation 9. Management should coordinate with ITS to ensure the work order system discussed in Recommendation 7 is designed to collect and analyze such data electronically.

LDAF concurs with Recommendation 9. See number 7. Administration feels a paper system needs to be tested and edited before establishing an electronic system. The needs of the electronic system will be established after a paper system has been in effect to assure all possible scenarios are addressed.

Recommendation 10. Management should use this data to measure productivity and guide decision-making.

LDAF concurs with Recommendation 10. Data is currently being collected to measure productivity. Future decision-making will be based on the information now being collected. To assure productivity and uniformity for all locations, a maintenance procedure manual has been sent to all locations.

We intend to use these recommendations to improve the overall performance of LAFA operations. Under the new procedures that have already been implemented, both the Fleet and Facilities of LAFA and LDAF will be maintained more efficiently. Again, we appreciate the professionalism and thoroughness with which your staff conducted this audit.

Mr. Steve J. Theriot
January 13, 2009
Page 5

Sincerely,

A handwritten signature in black ink, appearing to read "Craig Gannuch". The signature is written in a cursive, flowing style.

Craig Gannuch
Assistant Commissioner for Management and Finance

cc: Mike Strain, DVM, Commissioner
Randy Rogers, Director LAFA
Peter Rudesill, Assistant Director LAFA