



Los Angeles Housing Department

**LAHD**



Antonio R. Villaraigosa, Mayor

Rushmore D. Cervantes, Interim General Manager

### INTER-DEPARTMENTAL MEMORANDUM

**TO:** JUNE LAGMAY, CITY CLERK

**ATTN:** ADAM LID  
CLERK, AUDITS and GOVERNMENTAL EFFICIENCY COMMITTEE

**FROM:** RUSHMORE D. CERVANTES, INTERIM GENERAL MANAGER *R. Cervantes*  
HOUSING DEPARTMENT

**DATE:** MAY 4, 2012

**REGARDING:** CITY'S FUEL USE AUDIT


In response to a request from CLA, the Los Angeles Housing Department (LAHD) is forwarding a copy of the department's response to the Controller's audit report entitled "Controls Over Fuel Usage" dated March 29, 2012 (copy attached) for inclusion on the Audits and Governmental Efficiency (AGE) Committee meeting agenda on May 8, 2012. The department's response to the audit was submitted to the Controller's Office on April 30, 2012.

If you have any questions, please contact Renne Gardner of my staff at (213) 808-8462.



Antonio R. Villaraigosa, Mayor  
Rushmore D. Cervantes, Interim General Manager

**INTER-DEPARTMENTAL MEMORANDUM**

**TO:** WENDY GREUEL, CONTROLLER  
**ATTN:** FARID SAFFAR, CPA  
DIRECTOR OF AUDITING  
**FROM:** RUSHMORE D. CERVANTES, INTERIM GENERAL MANAGER   
HOUSING DEPARTMENT  
**DATE:** APRIL 26, 2012  
**REGARDING:** CITY'S FUEL USE AUDIT

The Los Angeles Housing Department (LAHD) has reviewed the audit report entitled "Controls Over Fuel Usage" dated March 29, 2012. The department has moved forward to implement recommendations for all applicable findings including the establishment of policies and procedures for regular review of fuel use via GSD Fuel Automation reports, enhanced controls over vehicle check-outs and maintenance of trip logs. (Findings 3, 4, 5 and 6 regarding Master Cards and system reliability are not applicable to LAHD.) A brief description of department actions regarding applicable findings follows:

**Finding No. 1**

LAHD fleet vehicle procedures have been revised to include a quarterly review of GSD fuel Automation Report Center reports for each vehicle to determine if any discrepancies exist between reported fueling of vehicles and fuel usage information contained in vehicle use logs. Such reviews and discrepancies such as unreported fueling, non-working fuel pumps or negative mileage entries or odometer readings will be reported to LAHD's Director of Budget and Management Services (or designee). As applicable, this information will, in turn, be reported to GSD.

**Finding No. 2**

Because ten (10) of the department's eleven (11) fleet/assigned/emergency response vehicles are equipped with the automated fuel tracking device [Vehicle Information Transmitter (VIT)], LAHD has no vehicle Voyager cards or Master Cards. The department retains possession of just one (1) assigned fuel card (#HPP00004) for its one vehicle not equipped with a VIT device, a 2001 Chevrolet Tahoe truck (emergency response vehicle). LAHD fleet vehicle procedures will be amended to insure that fuel consumption and vehicle log book entries for this vehicle, as well as the physical location of the fuel card will be reviewed each month.

**Finding No. 7**

LAHD fleet vehicle procedures will be revised to include a quarterly review of each department vehicle trip log to insure full compliance with the department's vehicle check-out and trip log maintenance procedures.

If you have any questions about LAHD's implementation of the recommendations, please contact Renne Gardner of my staff at (213) 808-8462.

cc: Jack Reef, CLA