

Audit

Follow-Up

As of March 31, 2017



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City Auditor

Audit of City Printers and Copiers

(Report #1702, Issued December 6, 2016)

Report #1713

June 19, 2017

Summary

Eight of the 16 action plan steps established to address issues identified in audit report #1702, Audit of City Printers and Copiers, were due for completion as of March 31, 2017. Of the eight steps due for completion, six steps have been completed and two steps are in progress. We will follow-up on efforts to complete the two action plan steps in progress, as well as the remaining eight action plan steps not yet due for completion, in our subsequent follow-up engagements.

In audit report #1702, issued December 6, 2016, we concluded that 1) multifunction devices (MFDs) were acquired through allowable and appropriate means for which reasonable and competitive prices were obtained; 2) for the most part there were no redundancies or inefficiencies in printing capabilities at City Hall, TPD Headquarters, or the Gemini Building; and 3) there was a potential for efficiencies in maintenance and support of the City's printers if the makes and models of printers were reduced. We identified three areas for improvement.

Those areas related to:

- 1) Changing the method of acquisition for Multifunction devices (MFDs) from leasing to direct purchasing.

- 2) Re-evaluating the usage of less efficient desktop printers in all City facilities and departments.
- 3) Reducing the variety of makes and models of printers and MFDs used in the City.

Appropriate recommendations were made to address those three areas. Sixteen action plan steps were developed to address the identified issues and recommendations. For this first audit follow-up eight of those 16 action plan steps were due for completion. Our follow-up shows six of those eight steps were completed, and the two remaining steps were in progress. The six action plan steps completed during the period covered by this follow-up engagement are as follows:

- The City Treasurer-Clerk directed his staff, when acquiring any future MFDs, to compare the cost of leasing to the cost of purchasing such devices; and to use that comparative information in selecting the most efficient acquisition method.
- Procurement Services discontinued the usage of less efficient devices for printing.
- The City Attorney reviewed circumstances and activity within the City Attorney's Office and determined the elimination of existing desktop printers would have an undue negative impact on productivity; accordingly, no desktop printers were eliminated.

- The Technology and Innovations Department (T&I) worked with several City departments and developed a list of recommended printers and MFDs for City departments to select from when acquiring new or replacing existing printers or MFDs.
- T&I published the list of recommended printers and MFDs on the City's intranet, thereby making the list available to all City departments.
- A process to ensure the list of recommended printers and MFDs is reviewed and updated on a periodic basis was implemented by T&I.

The two action plan steps determined to be in progress, but not completed, included directing departmental managers to review desktop printer usage in their respective areas for the purpose of identifying desktop printers that can be eliminated without undue negative impacts to productivity. *(Two steps; one for departments under the City Manager and the other for departments under the City Treasurer-Clerk.)*

In our subsequent follow-up audits, we will follow-up and report on management's efforts to complete the two action plan steps determined to be in progress, as well as the eight action plan steps not yet due for completion.

We appreciate the cooperation and assistance provided by management and staff of the City Treasurer-Clerk's Office, the City Attorney's Office, Procurement Services, and T&I during this audit follow-up.

Scope, Objectives, and Methodology

We conducted this audit follow-up in accordance with the International Standards for the Professional Practice of Internal Auditing and Generally Accepted Government Auditing

Standards. Those standards require we plan and perform the audit follow-up to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit follow-up objectives.

Original Report #1702

The scope of the original audit (report #1702) focused on selected printers and multifunction devices (MFDs) that were in use within the City during the period April 1, 2016, through June 30, 2016. The objective of the audit was to identify opportunities to realize efficiencies in printing and copying of documents and records through:

- Use of alternative procurement methods that will reduce the acquisition costs of MFDs.
- A reduction in the number of printers and MFDs necessary for City staff to effectively perform their duties.
- A reduction in the number and variety of makes and models of printers and MFDs to allow for more efficient maintenance and support by Technologies and Innovation Department (T&I) staff.

Report #1713

This is our first follow-up on action plan steps identified in audit report #1702. The purpose of this audit follow-up is to report on the progress and status of efforts by the City to complete action plan steps due for completion as of March 31, 2017. To determine the status of these action plan steps, we interviewed applicable staff and obtained and reviewed relevant documents.

Background

As part of the initial audit (Report #1702) we noted that the cost of printing an individual page is often insignificant and typically ranges from \$0.005 (one-half cent) to \$0.06 (six cents). Yet, at an average per page cost of \$0.02 (2 cents), the cost of printing/copying 500,000 pages monthly would be \$10,000. Several approaches can be used to control printing and copying costs; including using efficient printing/copying equipment (devices), limiting the number of devices by strategic location and required sharing of equipment, and standardization of printer and MFD makes and models to reduce maintenance and support efforts.

In audit report #1702 we identified three areas where efficiencies in printing documents could be realized. The first area related to using alternate procurement methods for multi-function devices (MFDs). Specifically, we noted there were 73 MFDs in use within the City, with 66 (or 90%) having been acquired through a leasing arrangement. Our analysis of the acquisition of the 66 leased MFDs showed that approximately \$141,000 in savings could have been realized if those MFDs had been purchased (i.e., and not leased) and used one year beyond the end of the existing lease periods.

The second area related to determining if there was evidence indicating that City departments should re-evaluate the number of printers and MFDs in use for the purpose of determining if that number could be reduced without significant impacts on employee productivity. For the most part, our review showed there were no redundancies or

inefficiencies in printing capabilities and equipment within the audited locations. However, we identified three departments (Procurement Services, Risk Management, and Retirement Services) where evidence showed consideration should be given to the elimination of desktop printers.

The third area related to standardizing the makes and models of printers and MFDs used throughout the City to provide for more efficient maintenance and support efforts. Our analysis of the City's network and printing capabilities indicated there could be as many as 500 different makes and models of printers in use throughout the City. We determined a reduction in the number of printer makes and models would allow T&I staff to more efficiently maintain and support the City's printers.

Appropriate recommendations were made to address each of the three areas where increased efficiencies could be realized. In response, City management developed 16 action plan steps to address our recommendations.

Previous Conditions and Current Status

In report #1702, we identified three areas where savings and increased efficiencies could be realized in regard to printing and copying of City documents and records. As noted above, City management developed 16 action plan steps to address the identified issues and recommendations. Eight of those 16 action plan steps were due for completion no later than March 31, 2017. As shown in Table 1 that follows, six of those eight steps have been completed and the remaining two are in progress.

Table 1
Action Plan Steps from Audit Report #1702
Due as of March 31, 2017

Action Plan Steps	Current Status
Objective: Change the method of acquisition of MFDs throughout the City.	
<i>City Treasurer-Clerk's Office</i>	
<ul style="list-style-type: none"> When a determination is made that a new MFD is needed (i.e., not a replacement of an existing MFD) consideration will be given to acquiring that MFD through a direct purchasing process. 	<ul style="list-style-type: none"> ✓ <u>Complete</u> – A determination has been made that for the near future the acquisition of a new MFD will not be needed by the Treasurer-Clerk's Office. Regardless of that determination, the City Treasurer-Clerk has instructed staff responsible for such an acquisition, in the event a new MFD is acquired, to compare the cost of leasing such a device to that of a direct purchase and utilize the most cost efficient method for the acquisition. Based on those actions, this action plan step is complete.
Objective: Eliminate certain desktop printers and re-evaluate desktop printer usage throughout the City.	
<i>City Manager's Office</i>	
<ul style="list-style-type: none"> Procurement Services will implement a plan to eliminate desktop printers in a timelier manner by no longer purchasing ink or toner for such printers. 	<ul style="list-style-type: none"> ✓ <u>Complete</u> – Procurement Services discontinued purchasing ink and toner for desktop printers in June 2016, thereby eliminating the City's expenses related to using desktop printers. However, as many of the desktop printers identified in the original audit have the ability to scan as well as print, those devices have been retained to allow employees the ability to scan documents at their desks (even though the devices are no longer used for printing). Accordingly, this step is complete.

<ul style="list-style-type: none"> Each departmental manager will be directed (i.e., by the Technology and Innovations department) to review the usage of desktop printers in their respective areas for the purpose of identifying desktop printers that can be eliminated without undue negative impacts to productivity. 	<ul style="list-style-type: none"> ❖ <u>In Progress</u> – This action plan step was reported by management as not yet complete with an amended planned completion date of September 30, 2017. As such, this step is considered in-progress.
<p><i>City Treasurer-Clerk's Office</i></p>	
<ul style="list-style-type: none"> Each departmental manager will be directed to review the usage of desktop printers in their respective areas for the purpose of identifying desktop printers that can be eliminated without undue negative impacts to productivity. 	<ul style="list-style-type: none"> ❖ <u>In Progress</u> – This action plan step was reported by management as not yet complete with an amended planned completion date of September 30, 2017. As such, this step is considered in-progress.
<p><i>City Attorney's Office</i></p>	
<ul style="list-style-type: none"> A review will be made as to the usage of desktop printers within the City Attorney's Office for the purpose of identifying desktop printers that can be eliminated without undue negative impacts to productivity. 	<ul style="list-style-type: none"> ✓ <u>Complete</u> – The use of desktop printers in the City Attorney's Office was reviewed by the City Attorney and his staff. Subsequent to that review, a determination was made the elimination of such printers would have an overall adverse impact on staff efficiency. As such, a decision was made to not eliminate desktop printers. Accordingly, this action plan step is complete.
<p>Objective: Development of a standard list of recommended printers and MFDs.</p>	
<p><i>City Manager's Office</i></p>	
<ul style="list-style-type: none"> The Technology and Innovations (T&I) department will work with City departments to develop a list of recommended printers and MFDs that encompass a variety of functionality. Acquisition, operating, and maintenance cost and efficiencies will be considered when selecting the devices for the list of recommended printers and MFDs. 	<ul style="list-style-type: none"> ✓ <u>Complete</u> – Two network printers and three MFDs, with varying functionality, were identified and selected as recommended devices by T&I. The selection of those recommended devices was based on consultation with multiple City departments and included a consideration of acquisition, operating, and maintenance costs. Accordingly, this step is complete.

<ul style="list-style-type: none"> The list of recommended printers will be made available to all City departments. 	<ul style="list-style-type: none"> ✓ <u>Complete</u> – The above identified list of recommended printers and MFDs has been made available to City staff and departments through the City’s intranet website. Additionally, an e-mail notifying the City’s Leadership Team of the list was distributed by the Director of T&I. Based on these actions, this step is completed.
<ul style="list-style-type: none"> A procedure will be developed to update the list of recommended printers and MFDs on a periodic and regular basis. 	<ul style="list-style-type: none"> ✓ <u>Complete</u> – A process to remind appropriate staff of the need to review and update the list of recommended printers and MFD has been developed and implemented. The process utilizes posting reminders on future dates in appropriate staffs’ calendars. Accordingly, this step is complete.

Table legend

- Issue to be addressed from original audit.

- ✓ Actions to address the issue have been completed.

- ❖ Actions to address the issue are in progress.

Conclusion

Of the 16 action plan steps established to address issues identified in the original audit, eight steps were due for completion as of March 31, 2017. As shown in Table 1 above, six of those steps have been successfully completed and the two remaining steps are in progress.

The eight remaining steps not yet due for completion, which will be addressed in a subsequent follow-up engagement, pertain to:

- Giving appropriate consideration to direct purchasing, rather than leasing, new or replacement MFDs (five steps).
- Development of a policy that will eliminate the use of inefficient desktop printers (one step).

- Evaluation and consideration by Retirement Services and Risk Management of replacing existing printers with more efficient devices that continue to meet those departments’ operational needs (two steps).

We will follow-up on the status of the two action plan steps shown in Table 1 as in progress, as well as the eight action plan steps not yet due for completion, in our subsequent follow-up engagements.

We appreciate the cooperation and assistance provided by management and staff within the City Treasurer-Clerk’s Office, the City Attorney’s Office, Procurement Services, and T&I during this follow-up engagement.

Appointed Officials' Response

City Manager:

We are pleased to see that significant progress has been made on action plan items that were due for the follow-up of the Audit of City Printers and Copiers. As noted in this follow-up report, the majority of the steps identified in the original action plan have either been completed or are in progress. Most importantly, the recommended actions regarding the elimination of desktop printers in procurement has been implemented. Progress is also being made on the review of usage of desktop printers across the organization with the goal of phasing out these less inefficient printers. Additionally, staff is working on the development of a policy that will eliminate desktop printers that are not efficient and anticipate completing the policy by the September 30, 2017 due date.

We appreciate the work of the City Auditor on this follow-up report and look forward to completing the remaining action plan items.

City Treasurer-Clerk:

We are pleased with progress made to date on recommended action items and look forward to full completion by the date of the next audit follow-up. We appreciate the City Auditor's efforts to identify these potential efficiency improvements and to ensure timely completion of suggested changes.

City Attorney:

We appreciate the City Auditor's efforts to remove unnecessary redundancy in the printing/copying area. The City Attorney's Office will continue to review the use of desktop printers in our office with the twin goals of maximizing staff efficiency and removing unnecessary duplication.

Copies of this Follow-Up Audit Report #1713 or the initial audit report #1702 may be obtained from the City Auditor's website (<http://www.talgov.com/transparency/auditing-auditreports.aspx>), via request by telephone (850 / 891-8397), by FAX (850 / 891-0912), by mail or in person (City Auditor, 300 S. Adams Street, Mail Box A-22, Tallahassee, FL 32301-1731), or by e-mail (auditors@talgov.com).

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