

**Nassau County
Office of the Comptroller**



**Limited Review
Of the
Nassau County Vehicles Fleet Management**

**HOWARD S. WEITZMAN
Comptroller**

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NASSAU COUNTY
OFFICE OF THE COMPTROLLER

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Executive Summary

Background

The Department of Public Works, Fleet Maintenance (DPW-FM), and the Office of Management & Budget, Fleet Management (OMB-FM) are responsible for the purchase, maintenance, and inventory of Nassau County's fleet of vehicles (with the exception of vehicles operated by the Nassau County Police Department and for the maintenance of Correctional Center vehicles). As of August 2008, DPW-FM and OMB-FM had a staff of 48 devoted to the management and maintenance of the fleet.

County policies regarding the management of the fleet are enumerated in the "Motor Vehicle Risk Management Policy and Procedure" issued by OMB-Risk Management.¹

The fleet consists of approximately 1,500 vehicles including passenger vehicles, trucks, and heavy equipment; included in the inventory are approximately 200 vehicles assigned to the Nassau County Correctional Center. In 2007, the County purchased 221 vehicles at a cost of \$7,831,336 consisting of passenger cars, trucks, heavy equipment, and motorcycles.

Nassau County's Department of Public Works purchases fuel (gasoline, diesel, biodiesel, and ethanol) through a blanket purchase order with Sprague Energy Corp. The table below shows the approximate cost of fuel for the years 2006 through 2008.

Period	Cost of Fuel	Gasoline Price Range (per gallon)
2008	\$1.9 million	\$1.13-\$3.61
2007	\$1.7 million	\$1.51-\$2.90
2006	\$1.4 million	\$1.62-\$2.66

The County estimates that the cost of fuel purchased by the County increased 135% between January 2007 and June 2008 when fuel costs spiked.

Repairs and maintenance for the fleet are performed at seven County garages located in Eisenhower Park, Hicksville, Hempstead, Bay Park, Glen Cove, Cedar Creek, and Manhasset.

DPW-FM uses an automated fuel system, known as Gasboy, to control access to the fuel pumps within the County. There are 16 County fuel sites, eight of which are controlled by Gasboy; the remaining eight are managed via a manual process. The fuel sites are operated by the departments where they are located. DPW-FM issues Gasboy fuel cards for the fueling of vehicles and equipment by authorized drivers.

In November 2006, DPW-FM began using "Maximus Fleet Focus" which is a software package that monitors the fleet inventory, manages the maintenance of the fleet, and controls the parts and supplies inventories at the garages.

¹ County-wide Procedure No. OMB-01 issued by OMB-Risk Management, dated 10/23/2006.

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Audit Scope, Objective, and Methodology

The objective of our audit was to examine the adequacy and effectiveness of controls related to the operation of the County's fleet vehicles, including fuel usage, maintenance and repairs completed on the fleet, the assignment of vehicles, and compliance with the County's vehicle policies and procedures. The period audited was January 1, 2007 through June 30, 2008.

Our audit included an examination, on a test basis, of vehicle fueling records, work orders related to the repair and maintenance of the fleet, and other relevant supporting documentation. We interviewed department personnel and tested for compliance with County policies and procedures.

This audit includes our examination of documents and other available evidence that would substantiate the accuracy of the information tested, including all relevant records. It includes testing for compliance with applicable laws and regulations, and any other auditing procedures necessary to complete the examination. We believe that this audit provides a reasonable basis for the audit findings and recommendations.

Summary of Significant Findings

Fueling of County Vehicles Lacking Essential Internal Controls

Our audit noted that internal controls surrounding the fueling of County vehicles were lacking or deficient to prevent the unauthorized fueling of non-County vehicles.

Deficiencies in Fueling Systems:

DPW-FM uses two different processes – one automated (Gasboy) and one manual – for dispensing fuel and monitoring its use. Due to deficiencies in the two-decade-old Gasboy system and an overall lack of controls for monitoring actual fuel usage, we could not determine if fuel dispensed was properly authorized for County vehicles. Manual procedures were not properly documented or followed, and there was no effective monitoring of fuel usage.

Activation of Gasboy requires the insertion of a vehicle fuel card and a driver fuel card. Once done, the driver is prompted to input the odometer reading and select a pump (gasoline or diesel fuel) to activate the system. However, the system's internal controls are deficient because the odometer reading, necessary for monitoring fuel usage, is not validated by Gasboy and Gasboy does not have a mechanism for ensuring that the vehicle fueled is the one identified by the vehicle fuel card.

The manual process requires that a driver complete a fuel ticket to identify the name of the driver, the vehicle identification number, date, gallons pumped, and odometer reading. Information from the fuel ticket is entered into the Online Data Entry System (ODE); however, this process was deficient because employees did not always enter all required information on the fuel tickets accurately or completely. There were no controls in place to ensure compliance with the process.

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No Monitoring of Fuel Usage:

We found that there was no monitoring of fuel usage. Neither DPW-FM nor any department assigned vehicles had the responsibility for monitoring its use of fuel. We selected a sample of 20 days activity at three automated fuel sites and found errors and cases of unusual fueling activity that were not investigated. These included invalid fuel cards being used to pump fuel (30 instances); vehicle cards used that should have been retired because the vehicles were no longer in the fleet (11 instances), two retired employees' driver cards still being used; and inordinate amounts of fuel being pumped at inordinate frequencies, using the same vehicle and driver card combinations.

Lack of Policies and Procedures for the Issuance of Cards:

We found a lack of written policies and procedures related to the issuance of, and accounting for, vehicle and fuel cards, return of surplus cards, handling of lost cards, adding/deleting card numbers, and deactivating driver fuel cards of terminated employees. Employees who misplaced vehicle cards were re-issued cards with numbers identical to their original cards – a practice that allows multiple cards for the same vehicle to be in circulation, thereby eliminating the control of one vehicle card per County vehicle.

Improper Assignment of County Take-Home Vehicles

County policy requires employees who are assigned take-home vehicles to meet certain requirements, however, procedures for verifying these employees' driving qualifications were not followed.

Procedures require OMB-Risk Management to use the NYS Department of Motor Vehicles License Event Notification System (LENS) to determine if qualifications are met. LENS shows the driving record and license restriction(s) of any driver being examined, and notifies OMB-Risk Management of any changes. The policy requires that all drivers complete a Motor Vehicle Operator's Approval Request Form and any driver assigned a take-home vehicle must sign a Take-Home Vehicle Agreement.

In a sample test of 26 drivers, we found that:

- four drivers did not have their driving records checked in the LENS system;
- the files of seven drivers did not have a Motor Vehicle Operator's Approval Request Form; and
- none of the drivers had signed Take Home Vehicle Agreements or written job descriptions that included the use of a vehicle.

County Policy also states that the head of the department or agency must include the use of a County vehicle in the employee's written job description and that the assignment of take-home vehicles should be "based upon considerations of operational efficiency and effectiveness". Department or agency heads are required to perform an annual review of the take-home vehicle assignments to reaffirm this and provide the results of the review to OMB-Risk Management by December 8 of each year. None of the 26 drivers' departments submitted their annual reviews as required.

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We also found no evidence that a cost/benefit analysis was performed for determining which employees, based on operational efficiency and effectiveness, should be issued take-home vehicles.

We analyzed employees' use of 15 take-home vehicles by comparing the cost of providing the take-home vehicle to the cost of reimbursing each employee for business mileage (using IRS 2007 reimbursement rates). We determined that in 12 cases, the cost of providing the take-home vehicle was greater than the cost of reimbursing the employee for business mileage.

In addition, for the same 15 take-home vehicles, we found that employees significantly understated the commutation mileage reported. Without accurate mileage reporting, the efficiency and effectiveness analysis might result in wrong conclusions and employee's W-2 forms might be misstated.

Failure to Establish Repairs and Maintenance Labor Hour Standards or to Review Work Orders for Excessive Labor Hours

DPW-FM did not establish repairs and maintenance labor hour standards and did not review work orders for excessive labor hours spent on repairs. We tested a sample of 30 work orders and found that some tasks took excessive hours to complete, including:

- 39.22 hours to replace a clutch; and,
- 15.5 hours to replace tires

Some of the hours spent far exceeded the foreman's estimates of hours required. For example, the task cited above to replace tires that took 15.5 hours, was estimated by the foreman to require only four hours.

Other work orders incorrectly described the work performed, such as the replacement of a water pump being reported as diagnosis of a water pump and the replacement of a starter being reported as preventive maintenance.

Accident Repairs without Complete Documentation

In accordance with County policy and depending on the severity of an accident, employees are required to report accidents to the County Attorney's Office, Nassau County Police Department, OMB Risk Management and/or to New York State. In order to help ensure compliance, DPW-FM policy requires that all documentation be filed before repairs can commence.

We were unable to determine if all of the accidents were reported as required because of incomplete or missing documentation. Supporting work order documentation to repair damage from 39 accidents was examined. We found that 27 files were missing the required police report.

Other Audit Findings:

- Take-home vehicles were provided to non-county employees. Qualifications of drivers who were not County employees were not monitored; and imputed income was not reported to the IRS on Form 1099 for these non-county employees.

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- Not all take home vehicles were reported to the Comptroller's Office. As a result, the imputed income for seven of 233 County employees who were assigned take-home vehicles was not reported on the employees' W-2s.
- Vehicle inventories maintained by DPW-FM do not reconcile with the County's record of fixed assets.
- Access to parts and supplies inventories was not properly restricted. At five sites visited, all of the mechanics in the shops had unrestricted access to the inventory
- There was inadequate segregation of duties in managing the parts and supplies inventory. One employee was responsible for requisitioning, purchasing, receiving and accounting for the inventory.
- Parts and supplies inventories were inaccurately maintained. A test of 15 invoices found that seven were not recorded in inventory. We also compared physical inventory counts to inventory records and found numerous errors.
- Operating costs are not charged to the departments that are assigned the vehicles.
- DPW-FM does not monitor expenses related to repairs/maintenance or variances in labor hour standards, which would help identify excessive labor costs.
- There is no mechanism to identify County vehicles that are covered under warranty to ensure that the manufacturer, rather than the County, pays for covered repairs. Although the County purchased software with this monitoring capability, DPW supervisors do not use it.
- One employee was driving a County vehicle without a required New York State driver's license.

The matters covered in this report have been discussed with the officials of DPW-FM and OMB Risk Management during this audit and at an exit conference held on June 4, 2009. On March 25, 2009, we submitted a draft report to DPW with a request for comments; this draft report was revised and resubmitted to DPW and OMB Risk Management on June 3, 2009, with an additional request for revised comments. DPW's comments were received on May 5, 2009 and portions were subsequently revised by DPW-FM and OMB Risk Management, and received on May 19, 2009, May 22, 2009 and June 9, 2009. DPW's comments and our responses to those comments are included as an appendix to this report.

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Audit Finding (1):

Fueling of County Vehicles Lacking Essential Internal Controls

Due to deficiencies in the fueling systems used and an overall lack of monitoring actual fuel usage, we could not determine if fuel dispensed was properly authorized for County vehicles.

Internal controls related to fueling County vehicles are essential in order to ensure that fuel is pumped only by authorized employees and only in County owned vehicles and equipment.

These controls include limiting access to fuel pumps to authorized County employees for the fueling of County vehicles and equipment. Fuel consumption should be monitored and unusual or questionable consumption investigated. We found that the automated system used by the County was deficient, manual procedures were not properly documented or followed, and there was no effective monitoring of fuel usage.

“Gasboy” System Deficiencies

DPW-FM uses two different processes, one automated and one manual, for dispensing fuel and monitoring its use; both have significant deficiencies that contribute to the weakness in their internal controls.

The County relies in part on an automated fuel system called “Gasboy”, installed in 1987, to control access to fuel at eight of the County’s 16 fuel sites; the other sites rely on manual procedures. In order to use a fuel pump, Gasboy requires that a user have both a vehicle fuel card that identifies the vehicle being fueled, and a driver fuel card identifying the driver of the vehicle. After the two cards are inserted into slots located on the Gasboy equipped pumps, the system prompts the driver to input the vehicle’s odometer reading and select the pump (gasoline or diesel fuel). Once this information is entered, the pump is activated. The system does not validate the odometer readings and does not check to ensure that the vehicle being fueled agrees with the vehicle identified by the vehicle fuel card. Maintenance cards, which are supposed to be used for fueling equipment like lawn mowers or golf carts, can be used to fuel passenger vehicles.

Manual processes are used for fuel pumps that are not equipped with the Gasboy system. These processes require that fuel tickets be completed by the driver identifying the name of the driver, vehicle identification number, date, gallons pumped, and odometer readings. The information on the fuel tickets is entered into the Online Data Entry System (ODE) by personnel in Public Works. The ODE contains fueling information manually input from the fuel tickets as well as fueling information recorded by the automated Gasboy system. The ODE has the capability to produce reports with fueling information from both the fuel tickets and the automated Gasboy system. These reports include error reports, fuel usage by users, vehicles and departments, vehicle MPG reports and site fuel usage. Our review of manual fuel tickets indicated that they were not always completed with the information required.

The Gasboy system is more than two decades old. According to DPW-FM, the County no longer receives system support from the vendor. The County plans to replace the Gasboy system with a system called “Maximus Fuel Focus.” This capital project has a projected cost of \$1,250,000 and is expected to be operational by Fall, 2009. According to DPW-FM, the new system will be able to limit fueling to authorized vehicles identified by a wireless system; when the fuel filler hose is

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placed into the filler neck of the fuel tank the vehicle's computer will identify the vehicle and the vehicle's odometer reading.

Because of the Gasboy system deficiencies and deficiencies with the manual fueling processes, we could not verify that all fuel usage was properly authorized and was limited to County employees and or County vehicles.

Monitoring Fuel Usage

We found that there was no monitoring of fuel usage either at the time of fueling or anytime after fueling. Neither DPW-FM nor the departments that were assigned vehicles or equipment that use fuel were responsible for monitoring the use of fuel.

We obtained the Automated Gas Dispensing Error Report, which is a report produced by the ODE system, that identifies fueling errors, and selected a sample of 20 days activity from the months of January, February and March 2008 for three automated sites – Hicksville, Eisenhower Park (Salisbury) and Hempstead Garage. We found errors and unusual activity that should have been investigated but were not. Examples included:

- 30 instances where fuel was pumped with driver fuel cards that were invalidated in the ODE system. If driver cards are not also invalidated in the Gasboy system, they can still be used to fuel vehicles;
- 11 instances where vehicle cards for surplus vehicles, no longer in the 2008 fleet inventory, were used;
- 22 instances where there was an error message indicating that ODE did not contain a record of the vehicle card being used;
- two driver cards were still in use although the employees had retired in 2005 and 2007; these cards were used to dispense a total of 388 gallons of fuel;
- On February 29, 2008, one driver card and one vehicle card were used at one location in five separate instances over a three hour time span to pump a total of 86.3 gallons of fuel;
- On March 11, 2008, one driver card and the vehicle card assigned to a vehicle which holds only 18 gallons of fuel, were used three times to pump 86.8 gallons within a 22-minute time span at Hicksville; and,
- On March 2, 2008, a single maintenance card and single driver card were used three times between 11:18 and 11:25 p.m. at the Eisenhower Park (Salisbury) pump to dispense a total of 120.5 gallons of fuel.

During the audit, we requested that OMB-FM generate a report showing the amount of fuel pumped by drivers who pumped in excess of 2,000 gallons of fuel in 2007. The report identified the driver numbers, vehicle numbers, and the number of gallons fueled. The report showed that 25 drivers pumped in excess of 2,000 gallons of fuel in 2007, including one driver who pumped over 17,000 gallons. We traced the driver numbers to a Gasboy report, which identified the names of the drivers and their respective departments.

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We followed up with the departments to determine why the 25 drivers would have pumped this amount of fuel. The departments stated that, in most cases, the drivers were assigned to fuel multiple vehicles or equipment. The driver card listed in the report as having pumped over 17,000 gallons was assigned to the Correctional Center Transportation Unit; the Correctional Center stated that the driver card is used by more than one person in the Transportation Unit for the fueling of their buses and inmate vans. The report from OMB-FM listed 39 vehicles fueled with this driver card in 2007.

Without proper oversight and monitoring of exception reports, unauthorized fueling of non-County vehicles may occur.

Lack of Policies and Procedures Surrounding Card Issuance

We found a lack of written policies and procedures related to vehicle and fuel card issuance, accounting for issued cards, the return of surplus cards, the handling of lost/misplaced cards, adding or deleting card numbers from the systems, and deactivating the driver fuel cards of terminated employees. During our fieldwork in March 2008, we were told by DPW-FM that the function of deleting the invalid gas cards from the Gasboy system had not been done since 2006. We were informed by DPW-FM that they have subsequently deleted the invalid gas cards.

In addition, employees who misplace vehicle cards are re-issued cards with numbers identical to the original cards. This practice may result in there being multiple cards in circulation for the same vehicle.

Audit Recommendations:

Until the new automated fuel system is installed, DPW-FM, fuel site personnel, and OMB-FM should work to develop uniform policies and procedures to control the dispensing of fuel. These procedures should include:

- a) assigning someone at the fuel pumps (both manual pumps and Gasboy pumps) to verify the identity of the driver and the vehicle being fueled;
- b) review of Gasboy error reports and any other reports that identify unusual dispensing of fuel patterns;
- c) accurate completion of fuel tickets, including a requirement that separate fuel tickets be completed for each piece of motorized equipment (golf carts, lawn mowers, etc.) fueled or that the ticket list the motorized equipment fueled and the amount of fuel pumped into each; and,
- d) Issuance and return of driver and vehicle cards and for handling lost cards.

DPW and OMB-FM should generate and review prior period error reports and investigate any unusual activity noted, including the specific instances noted in this audit report.

Audit Finding (2):

Improper Assignment of County Take-Home Vehicles

County policy and procedures that address the qualifications of drivers of take-home vehicles are not being followed.

“Motor Vehicle Risk Management Policy and Procedure” issued by OMB-Risk Management governs the assignment of County take-home vehicles. The policy outlines the qualifications that all drivers of County vehicles must meet regarding driver experience and driving record. OMB-Risk Management determines whether drivers meet these qualifications by using the New York State Department of Motor Vehicles License Event Notification System (LENS). This system contains the driving record and license restrictions, if any, placed on any driver and notifies OMB-Risk Management of any changes.

The policy also requires that all drivers complete a Motor Vehicle Operator’s Approval Request Form and any driver assigned a take-home vehicle must sign a Take Home Vehicle Agreement. In this agreement the drivers affirm that they understand and agree to comply with the requirements for operators of County motor vehicles set forth in the policy.

The policy states that the head of the department or agency must include use of a County vehicle in the officer’s or employee’s written job description. The policy also states that the assignment of take-home vehicles should be “based upon considerations of operational efficiency and effectiveness”. In addition, department or agency heads are required to perform an annual review of the take-home vehicle assignments in their department or agency, and provide the results of the review to OMB-Risk Management by December 8 of each year. The purpose of the annual review is to ensure that the assignment can be justified based upon the written job description of the employee and operational efficiency and effectiveness. Any change in a vehicle’s use or driver assignment should be documented and reported to both OMB-Risk Management and DPW-FM.

We tested a sample of 26 files of operators out of 233 operators of take-home vehicles listed in the fleet inventory maintained by DPW-FM, to determine if they met all the driver qualifications enumerated in the County policy. The 26 operators included six from the Correctional Center, 13 from Public Works, and seven from other County departments. We found that:

- the driving records of four of the operators were not examined in the LENS system (subsequent to our test, we were informed that three of these four operators were examined in the LENS system at a later date);
- the files of seven of the operators did not contain a Motor Vehicle Operator’s Approval Request Form;
- None of the operators in the sample signed a Take Home Vehicle Agreement or had written job descriptions describing the need for a take-home vehicle.
- none of the departments submitted their annual review reports for all of the operators in their departments on or before December 8, as required.

By not reviewing the LENS system to determine if a driver is qualified, in accordance with OMB-Risk Management’s policy, the risk of employees with poor driving records or even suspended licenses driving County vehicles, is increased and potentially exposes the County to

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unnecessary liability. Drivers who do not sign a Take Home Vehicle Agreement are not affirming that they understand or will comply with County policy regarding the operation of County vehicles. The lack of departmental reviews of take home assignments increases the risk that take home assignments cannot be justified by job descriptions.

OMB-Risk Management informed us that the Motor Vehicle Risk Management Policy is being grieved by the Civil Service Employees Association (CSEA). OMB-Risk Management attributes the lack of compliance to this pending grievance. However, a review of the employment status of the 26 operators determined that at least five were non-union (ordinance) employees, and therefore not impacted by the pending grievance.

Audit Recommendations:

- a.) OMB – Risk Management should consult with the Office of Labor Relations to determine which portions of the Motor Vehicle Risk Management Policy can be enforced while the grievance proceeds.
- b.) At a minimum, the policy should be enforced for all non-union employees.
- c.) OMB- Risk Management should ensure that all drivers with take home vehicles are properly examined in the LENS system.

Audit Finding (3):

Lack of Cost/Benefit Analysis of Take-Home Vehicles and Inaccurate Mileage Reporting

Lack of Cost/Benefit Analysis of Take-Home Vehicles

There is no evidence that a cost/benefit analysis was used for determining which employees, based on operational efficiency, should be issued take-home vehicles.

A cost/benefit analysis comparing the cost to the County of providing a take-home vehicle to the cost of reimbursing the employee for driving a personal vehicle for business is good business practice. County policy states that the assignment of vehicles should be "...based upon considerations of operational efficiency and effectiveness..."²

We analyzed 15 take-home vehicles by comparing the employee's commutation mileage computed based on the driver's home address (see *Inaccurate Mileage Reporting* below) to the business mileage reported. The cost to the County of providing the vehicle was calculated by multiplying the employee's computed commutation mileage by the IRS 2007 reimbursement rate of \$0.485 per mile. The cost of reimbursing the employee for business mileage was calculated by multiplying the reported business mileage by the IRS reimbursement rate.

We determined that, based upon the comparison of commutation mileage to business mileage reported, in 12 cases the cost of providing the take-home vehicle was greater than the cost of reimbursing the employee for business mileage.

² Motor Vehicle Risk Management Policy and Procedure, section X, Take Home Vehicles, Assignment of Take Home Vehicles, effective 10/23/06.

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Inaccurate Mileage Reporting

Our audit noted that commutation mileage reported by the drivers was significantly lower than calculated.

When we compared commutation mileage reported by the drivers of the 15 take-home vehicles to our calculated commutation mileage based on the home addresses of the drivers, we found that reported commutation mileage was understated.

Any cost/benefit analysis of assigning take-home vehicles to County employees requires the accurate reporting of business and commutation mileage.

Audit Recommendations:

The County should ensure that:

- a.) Department supervisors comply with County policy, to the extent permitted by labor agreements, by ensuring that the assignment of take-home vehicles is based upon operational efficiency and effectiveness;
- b.) prior to assigning a County vehicle to an employee, the Departments perform a cost/benefit analysis;
- c.) Departments annually perform a cost/benefit analysis of all County vehicles assigned to non-union employees; and
- d.) Departments report accurate commutation and business mileage.

Audit Finding (4):

Take-Home Vehicles Provided to Non-County Employees

Non-County employees were issued County take-home vehicles.

As part of our review of County take-home vehicle assignments, we reviewed the home addresses of each individual in our sample of drivers selected from the list of take-home vehicles as of 1/18/08. We found four individuals with assigned take-home vehicles who were not County employees. We determined that three of these individuals were judges in the New York State court system and the fourth was the Commissioner of Jurors.³

We also identified a non-County institution, the Town of Hempstead, and a County museum, Fine Arts Museum that had been provided with County vehicles. Our audit did not encompass a review of the management of these vehicles. The risk exists that the drivers were not qualified through the LENS system, thereby exposing the County to unnecessary liability.

³ As a result of this review, the value of these individuals' use of the vehicles for commuting was reported to the IRS for the 2008 year.

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Audit Recommendations:

The County should:

- a.) consider ending the practice of assigning County vehicles to non-County employees or institutions;
- b.) seek reimbursement from New York State for the cost of providing County-owned vehicles to State employees;
- c.) ensure that any vehicles assigned to non-County employees or institutions, comply with County policy; and
- d.) ensure that IRS Form 1099 is issued to any non-County employee who is provided with a County vehicle and who may have had any personal usage of that vehicle.

Audit Finding (5):

Personal Use of Take-Home Vehicles Not Reported On County Employees' W-2

The personal use of County take-home vehicles issued to seven County employees was not reported on their W-2 forms.

The IRS requires that when non-public safety personnel are given an employer-provided vehicle that used for personal reasons, such as commutation, the imputed value of the vehicle's personal use must be reported as income.⁴ We examined the list of 233 County take-home vehicles supplied by DPW and compared the list to 2007 W-2's issued by the County. Seven employees with take-home vehicles did not have any personal usage reported on their W-2s. Five were employed by the Parks Department and two were employed by DPW.

The Departments failed to notify the Comptroller's Office that these employees were assigned take-home vehicles, or to report their business and commutation mileage, in order for the employees' W-2's to properly reflect the personal use of the vehicles. .

Not reporting the personal use of employer-provided vehicles is a violation of IRS regulations.

Audit Recommendations:

The County should:

- a.) take measures to ensure that all County department supervisors report the assignment of take-home vehicles to the Comptroller's Office;
- b.) provide a list of all of the take-home vehicles and annually submit the list to the Comptroller's Office; and
- c.) confirm the accuracy of its list of take-home vehicles with Department supervisors.

County Departments should account for their use of take-home vehicles and report the personal use of those vehicles to the Comptroller's Office.

⁴ IRS Publication 463 for 2007, Chapter 6, p.28, "Vehicle Provided by Your Employer - Value Reported on Form W-2".

Audit Finding (6):

Accident Repairs without Complete Documentation

Vehicles were repaired without the documentation required by the County. The documents, verify that vehicular accidents were reported to the County Attorney's Office, OMB-Risk Management or filed with the police, in accordance with County policy.

OMB-Risk Management's Motor Vehicle Risk Management Policy requires the operator of any County vehicle that is involved in a motor vehicle accident to report the accident on a Nassau County Motor Vehicle Accident and Loss Report⁵. The operator's department is required to conduct an Accident Follow-up Meeting by the end of the next business day after the accident, and complete an Accident Follow-up Meeting Report. In addition, the policy requires, as mandated by New York State motor vehicle law, that if the accident results in bodily injury or there is a reasonable possibility that the damages from the accident will exceed \$1,000, a New York State Accident Report Form MV-104 be filed. The Nassau County Motor Vehicle Accident and Loss Report must be submitted to OMB-Risk Management and the County Attorney. In addition, a police report should be filed when necessary.

DPW-FM instituted a policy of obtaining all of the forms required by the Motor Vehicle Risk Management Policy before commencing any repairs on a vehicle damaged in an accident. The purpose of the policy was to ensure that all appropriate notices were filed before any work was performed on the vehicle.

All repairs of vehicles that have been involved in accidents are completed at the Cedar Creek or Eisenhower Park locations. Work orders for the repair of these vehicles should be accompanied with a copy of the "Nassau County Motor Vehicle Accident and Loss Report" and Motor Vehicle Department Form MV-104 for damages in excess of \$1,000.

The documentation supporting 39 motor vehicle accidents was examined. The documentation was contained in work orders created by DPW-FM. We found that:

- 16 of the work orders did not contain the "Nassau County Motor Vehicle Accident and Loss Report";
- 15 work orders did not have the accident date documented;
- 27 of the work orders did not have the "Accident Follow-up Meeting" report;
- Five of the work orders for damages in excess of \$1,000, did not have Form MV-104;
- When accidents are reported to the County Attorney, the County Attorney assigns a number to the accident and eight of the work orders did not have a County Attorney number assigned; and
- Even though OMB- Risk Management policy⁶ requires that the police are notified of all vehicular accidents, 27 of the 39 work orders reviewed did not have a police report.

⁵ County-wide Procedure No. OMB-01 issued by OMB-Risk Management, dated 10/23/06, pp. 13, 14.

⁶ County-wide Procedure No. OMB-01, Part VI, Motor Vehicle Operators Responsibility at Scene of Accident, effective Oct. 23, 2006.

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Due to the non-compliance with County policy regarding the documentation of vehicular accidents involving County vehicles, we were unable to determine whether or not all of the accidents were reported to OMB-Risk Management, the County Attorney, or the police.

Audit Recommendations:

- a) County should ensure that Department supervisors report all vehicular accidents involving County vehicles to the proper authorities and/or Departments, in a timely manner, and complete all of the necessary forms as required by County policy.⁷ All documentation should be forwarded to DPW-FM as soon as possible.
- b) DPW-FM should ensure that all required documentation is received prior to commencing repairs.

Audit Finding (7):

Vehicle Inventories Maintained by DPW Do Not Reconcile with the County's Record of Fixed Assets

We found discrepancies in the two different vehicle inventory systems that are maintained by DPW-FM and the County.

DPW-FM maintains the inventory of County vehicles in its "Maximus Fleet Focus" software system. According to DPW, the latest inventory of the County fleet began in December 2003 and was completed over the subsequent year and a half. The Accounting section of the Comptroller's Office oversees the comprehensive list of the County's fixed assets, which includes County-owned vehicles. This list is maintained in the County's Fixed Asset Accounting System (FAACS); the data entered into FAACS is provided by each Department's Fixed Asset Custodian. Information identifying the vehicles in both inventories includes the property ID numbers (fixed asset identifier), serial number, the year, make and model, and the department to which the vehicle is assigned.

Our comparison of the two inventories, as of December 2007, revealed that there were 1,465 active vehicles in FAACS but only 1,302 in "Maximus Fleet Focus". We further examined the inventories to identify the reasons for the differences. Our examination found that incomplete and inaccurate information existed in both inventories; for example:

- 466 property ID numbers were recorded in Fleet Focus that were not in the FAACS inventory;
- 793 property ID numbers were recorded in the FAACS inventory that were not in Fleet Focus;
- 161 vehicles were recorded in Fleet Focus with invalid property ID numbers;
- four vehicles were recorded using duplicate property ID numbers; and

⁷ County-wide Procedure No. OMB-01, Motor Vehicle Risk Management Policy and Procedure, section VI, effective Oct. 23, 2006.

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- six vehicles were recorded using duplicate property ID numbers but different serial numbers.

As a result, we were not able to reconcile the two inventories, thereby increasing the risk that County assets were not accounted for and safeguarded. The only way to determine if inventory items are missing is through a full physical inventory.

Audit Recommendations:

- a) A more up-to-date physical inventory of the County fleet should be performed in order to verify the accuracy of DPW-Fleet Maintenance's inventory records and the County's fixed assets vehicle inventory.
- b) DPW-FM personnel should take over responsibility for entering vehicle inventory records from County department fixed asset custodians to ensure that accurate information is entered into the inventory records.
- c) The two inventories should be periodically reconciled.

Audit Finding (8):

Control Weaknesses in the Parts and Supplies Inventory System

Our audit noted internal control weaknesses in the parts and supplies inventory system.

Lack of Security at Parts and Supplies Inventory Locations

Access to the parts and supplies inventory was not adequately secured.

In order to secure vehicle and equipment parts and supplies, access should be restricted to authorized personnel. We visited the Manhasset, Glen Cove, Hicksville, Hempstead, and Franklin Square locations and determined that all of the mechanics in the shops have unrestricted access to the parts and supplies inventory. At the Glen Cove location, parts and supplies were located in the repair shop and not in a locked/restricted area; the other four locations kept all parts and supplies in a secured area. The mechanics had unrestricted access to the secured area at the Glen Cove location. In addition we noted obsolete parts in the inventory. Unrestricted access to parts could result in lost or stolen inventory. Obsolete parts that are no longer needed take up needed space.

Audit Recommendations:

- a.) All parts and supplies inventories should be located in secure storage areas with locks and possibly with cameras to monitor access.
- b.) Obsolete parts that are no longer needed should be properly disposed of, and removed from the inventory records.

Inadequate Segregation of Duties in the Management of the Parts and Supplies Inventory

The requisitioning, purchasing, receiving, accounting, and disbursement functions should be segregated to the largest extent possible. The Store Keeper Supervisor (SKS) at DPW is

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responsible for the requisitioning, purchasing, receiving, and accounting functions for the parts and supplies inventory. The SKS:

- can order parts without the review or approval by anyone else;
- can authorize a Purchase Order without any review or approval;
- has unlimited access to the parts inventory where items can be added to or deleted from the inventory in Maximus; and
- is authorized to accept delivery of parts.

The lack of segregation of these duties may result in lost or stolen parts not being detected.

Audit Recommendations:

- a.) The requisitioning, purchasing, receiving, accounting functions related to the parts and supplies inventory should be segregated between two or more individuals in order to ensure that one person cannot complete an inappropriate transaction that is not detected.
- b.) In addition, there should be increased managerial oversight of the functions of requisitioning, purchasing, receiving, accounting, and disbursement.

Inaccuracies in the Parts and Supplies Inventory System

Numerous inaccuracies were identified in the parts and supplies inventory.

DPW-FM uses “Maximus Fleet Focus” to maintain its parts and supplies inventory. As parts and supplies are requisitioned for repairs and maintenance, they are accounted for through the work order system (a component of Fleet Focus where repairs and maintenance are documented).

Parts and supplies invoices for purchases made during the period January 1, 2007 through May 1, 2008 were reviewed and 15 of the largest invoices were selected to determine if the parts and supplies were accurately entered into the inventory. The 15 invoices represented \$31,765 of purchases out of total purchases of \$178,496 during the period. We tested for the accuracy of invoice numbers; purchase order numbers, quantities, and prices entered into the inventory and found the following errors:

- four invoices for parts and supplies, totaling \$4,092, were not inventoried;
- three invoices for parts, totaling \$4,789, were not inventoried because the unit costs were under \$1; and
- entries with incorrect unit prices and the incorrect number of items.

As a result, the inventory was estimated to be understated by \$8,560.

In another test of the accuracy of the parts and supplies inventory, we went to six locations where parts and supplies inventories are maintained: Manhasset, Glen Cove, Hicksville, Hempstead, Franklin Square, and Eisenhower Park.

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A physical count of samples of the inventory resulted in the following:

<u>Location</u>	<u>Items in Inventory</u>	
	<u>Records</u>	<u>Items Counted</u>
Manhasset	36	27
Glen Cove	120	112
Hicksville	326	352
Hempstead	118	135
Franklin Square	142	59
Eisenhower Park	198	269

In a separate test of the accuracy of the parts and supplies inventory, we attempted to locate 182 items listed in the Eisenhower Park (166 items) and Hicksville (16 items) inventories and were unable to locate 12 items.

These inaccuracies increase the risk that missing or stolen parts will not be identified, and that parts will not be in the inventory when needed.

Audit Recommendations:

- a.) Management of DPW-FM should ensure that all parts and supplies delivered are entered into the Fleet Focus inventory accurately and completely.
- b.) A complete physical inventory of the parts and supplies inventory should be performed periodically and reconciled to the inventory records.

Audit Finding (9):

Cost of Operating County Vehicles Not Charged to the Departments Assigned the Vehicles

There are no vehicle budgets established for County Departments assigned vehicles and, as a result, the cost for repairs, maintenance, and fuel are not properly charged to each department.

Vehicles are assigned to departments or individuals throughout the County. The assignment, use, and control of the vehicles are the responsibility of each individual department. Departmental operating costs are normally accounted for through the budgetary process.

Departmental budgets are not charged for the use and cost of operating vehicles within departments. The result is a lack of accountability for the costs of operating the vehicles and a lack of incentive to monitor the costs of repairs and maintenance or the cost of fuel.

Audit Recommendations:

OMB-Risk Management should consider establishing departmental budgets for County departments that have vehicles assigned to them. The budgets should be charged for the cost of repairs, maintenance, and fuel for all vehicles assigned to the departments.

Audit Finding (10):

Failure to Establish Repairs and Maintenance Labor Hour Standards or to Review Work Orders for Excessive Labor Hours

DPW does not use industry standards or internally developed labor hour standards, to help determine the amount of labor hours that should be allowed for specific jobs. Foremen use their judgment in determining the number of hours jobs should take.

Industry standards exist for the number of labor hours associated with various types of vehicle repairs and maintenance jobs. These standards are published in guides, such as the Mitchell Auto Guide. These standards assist the evaluation of the efficiency of repair and maintenance work. Work orders documenting repairs/maintenance performed on the County's fleet are prepared by DPW maintenance system Fleet Focus. These work orders record the work performed and the parts, supplies, and labor hours consumed.

Work orders showed unreasonable amounts of time for routine work, wrong job codes for the work completed, and a lack of review by foremen of the labor hours spent on jobs. Job codes are used to describe the nature of the work completed.

We tested a sample of 30 work orders out of 2,225 work orders issued during the period January 1, 2008 to May 31, 2008. We found work orders that did not accurately reflect the work actually performed, that had unexplained excessive labor hours, and that had extremely large variances in labor hours reported, as the following examples illustrate:

- work order # 7975 indicated that the mechanic used 39.22 hours to replace a worn clutch, 16.71 hours to perform an annual inspection, and 13.4 hours to diagnose engine/motor systems group;
- work order # 5995 listed 15 ½ hours to replace tires, however the foreman had estimated total time at four hours;
- work order # 5950 reported 54.6 hours for the diagnosis of engine/motor systems, however the foreman had estimated total time at four hours;
- work order # 8293 listed 18.8 hours for the diagnosis of water pump; however the foreman had estimated total time at five hours. Further review indicated that the water pump was replaced, and therefore, a different job code should have been indicated. This work order also reported 10.18 hours to perform an annual inspection;
- work order # 8251 indicated that the mechanic used 18.2 hours to replace front brake pads, however, the foreman estimated 1.3 hours;
- the job code for work order # 9365 indicated that preventative maintenance was to be performed. However a review of the work order showed that the fuel pump was replaced. The mechanic reported 15.64 hours of preventative maintenance on this work order; and
- a preventive maintenance job code was used for work order # 8883 but further review of the work order indicated that the starter was replaced.

The inaccuracies in the job codes and the labor hour variances indicate that the work orders are not being reviewed by the foremen, resulting in excessive labor hours.

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Audit Recommendations:

- a) DPW-FM should implement standards for the number of labor hours that different repair and maintenance jobs require. An industry standard, such as the Mitchell Auto Guide, should be used if practical, or DPW-FM should develop repair labor hour standards to be implemented at all County repair facilities.
- b) Supervisors should ensure work orders are accurate as to the jobs completed, and that workers are not spending unreasonable amounts of time doing repairs.
- c) Foremen should review work orders for their accuracy and for the number of labor hours charged, and seek explanation for discrepancies or material variances from the standard.

Audit Finding (11):

Inadequate Management Reporting

Management of DPW-FM does not use reports that identify the cost of parts and supplies and the amount of labor hours consumed on work orders for repairs and maintenance, which may help identify excessive costs and labor hours.

DPW-FM has report writing software called “Crystal Report Writer” that it would like to use to produce management reports. DPW-FM does not run customized reports because they have not been trained in the use of “Crystal Report Writer”.

Audit Recommendations:

DPW-FM should obtain training in the use of “Crystal Report Writer,” or request the County IT department produce reports for them that will enable them to monitor costs of repairs and maintenance and variances in labor hour standards. This information will prove useful to not only DPW but also to County departments trying to monitor the operational costs of vehicles in their departments.

Audit Finding (12):

Warranty Repairs Not Being Identified

DPW-FM does not have a mechanism for identifying County vehicles that are covered under warranty.

The “Maximus Fleet Focus” software has the capability to monitor manufacturer’s vehicle warranty information. The purpose of this software is to ensure that vehicles that are under warranty are flagged in the system so that warranty repairs are performed by the dealership and not by the County.

Shop Supervisors at DPW are responsible for monitoring vehicles that are under manufacturer’s warranty. Shop Supervisors at DPW do not use the software to monitor warranty repairs because they claim the software is too complex. The risk exists that, if vehicles under warranty are taken

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to shops unaware of the warranty, repairs will be done at the expense of the County rather than by the dealership.

Audit Recommendations:

- a.) DPW-FM personnel should be provided with the necessary training in how to use the warranty information capabilities of the software.
- b.) Shop Supervisors at DPW should ensure that the warranty monitoring functionality of the system is being used as required, in order to ensure that warranty repairs are not done at the expense of the County.

Audit Finding (13):

County Employee Driving County Vehicle with Florida Driver's License

Although County motor vehicle policy states that all operators of Nassau County vehicles are required to have a valid New York State driver's license, we identified one individual operating a County vehicle with a Florida State driver's license. The individual contacted OMB-Risk Management and indicated that he was planning to retire from County service this year and wanted to change to a Florida State driver's license at the time of renewal. OMB-Risk Management allowed the change but obtained the individual's driving abstract from the state of Florida.

The driving record of this individual will not be monitored by the state LENS system (as required by all other operators of County vehicles) since the driver does not have a New York State driver's license.

Audit Recommendations:

While employed by the County, the individual should be immediately required to obtain a New York State driver's license, or the County vehicle should be re-assigned.

COUNTY OF NASSAU
Inter-Departmental Memo

TO: Office of the Comptroller
Att: [REDACTED]

FROM: Department of Public Works

DATE: April 30, 2009

SUBJECT: Limited Review of the Nassau County Fleet Management

We have reviewed the draft audit findings and recommendations and would like to offer the following comments:

1. The background information in the Executive Summary references a fleet of 1,500. The non-public safety fleet that Department of Public Works (DPW) is responsible for is approximately 1,300 vehicles. In addition, reference is made to “the County” purchasing 221 vehicles. This number seems to reflect all purchases including public safety vehicles (Police Department and Corrections), while the rest of the report specifically excludes Public Safety Fleet.

Auditor’s Follow-up Response:

The fleet of approximately 1,500 vehicles referenced in the report was based on an inventory provided by DPW, which included approximately 200 Correctional Center vehicles whose maintenance is not the responsibility of DPW. We agree that the 221 vehicles purchased included Police Department and Correctional Center vehicles.

2. Audit Finding (One): Fueling of County Vehicles Lacking Internal Controls
The Department recognizes that the outdated gas boy system that exists at many fueling stations makes monitoring difficult and inefficient. In an effort to replace the older system a Capital project was initiated to find the design and construction of a County-wide automated fueling system. Capital Project 98062, Automation of Fuel Sites and Vehicles, is currently authorized at \$1,250,000. Public Works has completed the necessary designs and is currently preparing for the installation of fully automated, real time fueling system. The project includes upgrades at all fueling stations, as well as communications equipment in each vehicle. All of the above infrastructure will also be tied into new electronic employee ID’s being distributed as part of a separate project. This project will be in construction shortly and should be completed Summer/Fall of 2009.



Auditor's Follow-up Response:

We commend DPW for its projected implementation of an upgraded fueling system. We reiterate our recommendation that until a new automated fuel system is installed, DPW-FM, fuel site personnel, and OMB-FM should work to develop uniform policies and procedures to control the dispensing of fuel as outlined in our recommendations.

3. Audit Finding (Two): Improper assignment of County Take Home Vehicles
The Department of Public Works has worked with OMB Fleet Management and OMB Risk Management to ensure that all employees driving county vehicles have completed motor vehicle operator safety training, have approved motor vehicle operator forms, and are examined through the LENS System.

Auditor's Follow-up Response:

We concur with the corrective actions taken by DPW. We reiterate our recommendation that OMB Risk Management enforce its Motor Vehicle Risk Management Policy.

4. Audit Finding (Three): Lack of Cost/Benefit Analysis of Take Home Vehicles and Inaccurate Mileage Reporting
Take home car privileges are based on past practice, as well as operational efficiency and effectiveness. The assignment of take home vehicles has been the subject of grievances and in most cases, regardless of the results of a cost benefit analysis, department heads would not have ample justification for removal of take home car privileges.

Auditor's Follow-up Response:

We reiterate our recommendations:

- a.) *that prior to any new assignment of County vehicles, departments should perform cost/benefit analyses; and*
- b.) *departments perform an annual review of all County vehicles assigned to non-union employees to ensure continued operational efficiency and effectiveness.*

DPW-FM's response did not address our finding regarding the inaccurate reporting of employee commutation mileage. We reiterate our recommendation that departments should ensure employees report accurate commutation and business mileage.

5. Audit Finding (Four): Take Home Vehicles provided to Non-County Employees
Several of the cars assigned to "non County institutions" are provided to these entities as part of various agreements that specifically require that the vehicles be provided.

Auditor's Follow-up Response:

We reiterate our recommendations that the County should consider ending the practice of assigning County vehicles to non-County employees or institutions, and seek reimbursement from New York State for the cost of providing County-owned vehicles to State employees. DPW-FM's response did not address our recommendations that County policy, such as enforcement of the standards for driver qualifications or that IRS regulations be complied with for all drivers of County-owned vehicles.

6. Audit Finding (Five): Personal Use of Take-Home Vehicles Not Reported on County Employees' W-2

DPW will be handling the Comptrollers report for DPW take-home W2 concerns at the Administration level and Fleet will be working with the Comptrollers Office to ensure that they are aware of all Take-Home vehicles listed in our system. Fleet does not control the other Departments entry to the Comptrollers office for W2s.

Auditor's Follow-up Response:

We concur with the corrective action proposed. OMB-Fleet Management should work together with the departments to ensure that all employees assigned a County take-home car are reporting their annual mileage as required by the County, for the inclusion of any personal mileage in their W-2.

7. Audit Finding (Six): Accident Repairs Without Complete Documentation

Many of the accidents referenced in this paragraph are accidents that may have occurred some time ago. It is recognized that prior procedures relative to accident repairs are in need of modification.. OMB Risk Management, DPW Fleet Maintenance and the County Attorney's office have been working to revise the County's subrogation process including the recent implementation of standardized estimating software program for body repairs associated with accidents.

Auditor's Follow-up Response:

We commend OMB Risk Management and DPW-FM for working with the County Attorney's Office on corrective action steps. We reiterate our recommendation that the County should ensure that Department supervisors report all accidents involving County vehicles to the proper authorities and departments in a timely manner, and DPW-FM should ensure that all required documentation is received prior to commencing repairs.

8. Audit Finding (Seven): Vehicle Inventories Maintained by DPW do not Reconcile with the County's Record of Fixed Assets.

DPW Fleet will look into the [practicality] of DPW taking the responsibility of the entire non-PD vehicle fixed assets.

The Maximus Fleet computer system is in need of being updated to the newest version and that is being addressed by IT at this time. After our system is updated to the newest version, it should alleviate many of the smaller issues we have and make the Unit work more efficiently.

Auditor's Follow-up Response:

We concur with the corrective actions being taken by the Department. A County-wide physical inventory of all fleet vehicles is currently in progress.

We reiterate our recommendations that DPW-FM's Fleet Focus inventory should be periodically reconciled to FAACS and that both inventories be updated following the completion of the County-wide physical inventory.

9. Audit Finding (Eight): Control Weakness in Parts and Supplies Inventory System

The Department of Public Works is working [with] the Purchasing department to streamline parts purchasing and provide more useful inventory including disposal of obsolete inventory. Such purchasing could include just in time purchases to limit inventory and order parts only when needed. In addition, the Auto Parts Storekeeper and Auto Parts Storekeeper supervisor's position requires that they be involved in the entire parts ordering/inventory process. However, the ordering and authorization of purchase orders is not done without review or approval by Supervisors.

Auditor's Follow-up Response:

We concur with the corrective actions taken. We reiterate our recommendations related to the security of the parts and supplies inventory areas, the proper segregation of duties related to the requisitioning of parts and supplies, and the inaccuracies in the inventory we identified. In particular, a complete physical inventory of the parts and supplies inventory should be performed periodically and reconciled to inventory records.

10. Audit Finding (Nine): Cost of Operating County Vehicles Not Charged to the Departments Assigned the Vehicles

On a quarterly basis, Fleet Management provides a vehicle cost allocation schedule to Comptrollers' Accounting Group for chargeback journal entries against specific departmental budgets. The departments affected are those that will be able to claim these costs for state and federal aid reimbursement purposes. As these costs are already captured, OMB will explore with Comptrollers the potential to broaden the process to all departments.

Auditor's Follow-up Response:

We concur with the corrective actions taken.

11. Audit Finding (Ten): Failure to Establish Repairs and Maintenance Labor Hours to Review Work Hours for Excessive Labor Hours.

The Department of Public Works recognized the value of a work management system related to Fleet Maintenance and initiated a project to provide automated workflow system several years ago. The Maximus system has a number of features including a "labor wedge" module which provides exactly the detail that the audit report is seeking. As a new system, staff is still working on adjusting to a system that so accurately accounts for our staff's time.

Auditor's Follow-up Response:

We commend DPW-FM for the corrective actions steps taken. We reiterate our recommendation that DPW-FM implement labor standards for repair and maintenance work on vehicles, and that foremen and supervisors review work orders for accuracy and reasonableness.

12. Audit Finding (Eleven) Inadequate Management Reporting.

Once again, the Maximus system is relatively new and staff continues to learn the benefits of the system. There have been instances when "Crystal Report Writer" has been used to generate custom reports and we anticipate additional reports will be developed as necessary.

Auditor's Follow-up Response:

We concur with the corrective action taken by DPW-FM.

13. Audit Finding (Twelve): Warranty Repairs Not Being Identified.

Staff has been trained in the warranty flag module of the Maximus software. However, we have found that this particular module is not user friendly and staff has found that having supervisors monitor this is more effective.

Auditor's Follow-up Response:

It is important that warranties be carefully monitored to prevent the County from incurring the cost of repairs that should have been covered by warranties. We reiterate our recommendation that DPW-FM personnel continue to be provided with the necessary training to use the warranty monitoring functionality of the system to its full capability.

14. Audit Finding (Thirteen): County Employee Driving County Vehicle with Florida Driver's License

In terms of the employee with the Florida License, we had the employee provide us with his Florida driver's license abstract on several occasions. At the time the request was made he was in the process of retiring and change[d] his license at the time of renewal. The retirement was delayed and [he] is going this month. This was treated as [an] exception but his driving record was monitored by means of the updated Florida abstracts.

Auditor's Follow-up Response:

We concur with the corrective action taken. We confirmed that the employee retired in May 2009.