



Delaware County

Vehicle Usage and Disposal

Report of Examination

Period Covered:

January 1, 2013 — August 15, 2014

2014M-258



Thomas P. DiNapoli

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State of New York Office of the State Comptroller

Division of Local Government and School Accountability

April 2015

Dear County Officials:

A top priority of the Office of the State Comptroller is to help local government officials manage government resources efficiently and effectively and, by so doing, provide accountability for tax dollars spent to support government operations. The Comptroller oversees the fiscal affairs of local governments statewide, as well as compliance with relevant statutes and observance of good business practices. This fiscal oversight is accomplished, in part, through our audits, which identify opportunities for improving operations and County governance. Audits also can identify strategies to reduce costs and to strengthen controls intended to safeguard local government assets.

Following is a report of our audit of Delaware County, entitled Vehicle Usage and Disposal. This audit was conducted pursuant to Article V, Section 1 of the State Constitution and the State Comptroller's authority as set forth in Article 3 of the New York State General Municipal Law.

This audit's results and recommendations are resources for local government officials to use in effectively managing operations and in meeting the expectations of their constituents. If you have questions about this report, please feel free to contact the local regional office for your county, as listed at the end of this report.

Respectfully submitted,

*Office of the State Comptroller
Division of Local Government
and School Accountability*

Introduction

Background

Delaware County (County) is located in eastern New York and has approximately 48,000 residents. The County consists of 19 towns and 10 villages and covers 1,446 square miles. The County is governed by the Board of Supervisors (Board) which comprises 19 elected members. The Board is responsible for the general management and control of the County's financial affairs. The Chairman of the Board is the chief executive officer and is responsible, along with other administrative staff, for the County's day-to-day management. Budgeted appropriations for the 2014 fiscal year were approximately \$129.6 million for all funds and were primarily funded with real property taxes, sales and use taxes and State and federal aid.

The County provides a variety of services to its residents, including highway maintenance, snow removal, public safety patrols, field (home) visits and other government services which are supported through the use of a County-owned fleet of motor vehicles. To facilitate the timeliness of providing select services, employees of certain departments are assigned County vehicles. The Board is responsible for overseeing the fleet management operations and approving the acquisition and disposal of all County-owned vehicles.

The County maintains a fleet of about 250 vehicles, at an annual cost of approximately \$2.8 million. Six departments, which include Public Works, Social Services, Solid Waste, Probation, Public Health Nursing and the Sheriff's Office, account for nearly 220 of these vehicles.

Objective

The objective of our audit was to assess the controls over the County's vehicle fleet operations. Our audit addressed the following related question:

- Did County officials properly oversee the usage and disposal of County vehicles?

Scope and Methodology

We examined the County's fleet management operations from January 1, 2013 through August 15, 2014. We extended the scope to prior periods for the purpose of reviewing Board resolutions and policies related to the usage and disposal of vehicles.

We conducted our audit in accordance with generally accepted government auditing standards (GAGAS). More information on such standards and the methodology used in performing this audit is included in Appendix C of this report.

**Comments of
County Officials and
Corrective Action**

The results of our audit and recommendations have been discussed with County officials, and their comments, which appear in Appendix A, have been considered in preparing this report. Except as noted in Appendix A, County officials generally agreed with our recommendations and indicated they were taking corrective action. Appendix B includes our comments on issues raised in the County's response.

The Board has the responsibility to initiate corrective action. A written corrective action plan (CAP) that addresses the findings and recommendations in this report should be prepared and forwarded to our office within 90 days, pursuant to Section 35 of the General Municipal Law. For more information on preparing and filing your CAP, please refer to our brochure, *Responding to an OSC Audit Report*, which you received with the draft audit report. We encourage the Board to make this plan available for public review in the Clerk's office.

Vehicle Usage and Disposal

The Board should have written policies for the usage and disposal of vehicles. A policy governing the use of County vehicles should specifically address who will be assigned vehicles, or what criteria will be used to assign vehicles, as well as where the vehicles will be located after normal working hours. A policy governing the disposal of vehicles should provide criteria for when vehicles need to be replaced and their disposition. County officials should also monitor the usage of each vehicle by requiring drivers to maintain adequate records or logs of destination, purposes of trips, mileage or odometer readings and fuel usage. Lastly, custody of vehicle titles of ownership should be maintained in a central location and vehicles should only be disposed of with Board authorization using a method that ensures the best value is netted.

County officials did not properly oversee the usage and disposal of County vehicles. The Board has adopted a vehicle policy that specifies that each department head is responsible for establishing written procedures for the assignment of County vehicles and the records that should be maintained. However, the policy does not cover the disposal of County vehicles. In addition, we found that five¹ of the six departments that we reviewed did not have written procedures for the assignment of vehicles and four² did not maintain vehicle logs. These findings were also identified in an audit completed by our Office in 2003 and remain uncorrected. Furthermore, County officials were not adequately monitoring vehicle usage or performing cost-benefit analyses to support the after-hours locations of vehicles or disposal methods used. Lastly, seven of the 19 vehicles that were disposed during our audit period did not have proper Board authorization and 17 were sold or scrapped³ without determining if another method could have potentially netted more revenues.

Assignment – There is no consistent method for how a vehicle is assigned to an employee and where it should be kept after hours. The vehicle policy states that employees who are subject to off-hour call outs to perform their duties are granted a vehicle for commuting purposes.⁴ However, because the County has multiple conflicting

¹ The five departments are Probation, Public Works, Solid Waste, Public Health Nursing and the Sheriff's Office.

² The four departments are Probation, Public Works, Solid Waste and the Sheriff's Office.

³ The vehicles ranged from six to 27 years old (model years 1986 to 2008).

⁴ A motor vehicle pool assignment system is used for other types of employees and those vehicles are kept at County facilities.

documents in effect, it was unclear whether nine of 25 employees who had vehicles were actually permitted to have them. Additionally, a third-party vendor was assigned a County vehicle from December 2012 to October 2013.⁵ County officials verbally agreed that the County would maintain ownership and the vendor would pay for the insurance, maintenance and fuel in order to save money on transportation costs that the vendor would have charged the County. However, there was no written agreement or Board authorization for this arrangement. Without such, it is unclear who would have been responsible for the vehicle and the potential liabilities drivers could have incurred.

Employees park vehicles after hours at on- and off-site County facilities, other municipalities, various places of business, sites outside of the County and at their residences. County officials stated that they allow the assignment to different locations due to personal preferences of employees, response times, employee safety and the cost effectiveness given the large geographic size of the County. Although some vehicles are provided to employees for safety purposes and may therefore be justified, the need for any other vehicles to be allowed at off-site locations after hours should be based on the cost effectiveness to do so. County officials could not provide us with any cost-benefit analyses or documentation for how it was more cost effective for these employees to have their own vehicles (instead of using the motor vehicle pool assignment system) or why the vehicles should be located off County premises. Additionally, we found that six of the 10 employees we tested with vehicles at off-site locations reported daily to a County facility. As a result, we reviewed 26 vehicle logs for June and July 2014 and determined that 19 vehicles were used for commuting purposes. The vehicles were driven a total of 53,000 miles, of which 22,100 or 42 percent were for commuting to and from a County facility. Over a one year period, this would amount to 48 percent of the total miles driven at a cost of approximately \$75,000.⁶ This further brings into question the cost effectiveness of allowing these employees to take the vehicles off County premises after hours. As a result, there may be an increased cost to the County for employees using County vehicles for commuting to and from County facilities.

Usage – None of the six departments were adequately monitoring the vehicle usage. Although the Public Health Nursing Department had someone reviewing vehicle logs, vehicle sign out sheets and certifications of service to residents, no one at the Department was comparing these documents to the fuel consumption to corroborate

⁵ This vehicle was disposed of and another one was not re-assigned to the vendor.

⁶ See Appendix C for methodology

both the vehicle use and fuel consumption. The Department of Social Services had an employee reviewing quarterly vehicle logs. However, this person did not have access to work schedules or fuel consumption reports so we could not determine how this review would detect unauthorized usage. The other four departments did not maintain vehicle logs, but stated that they were periodically spot checking the fuel usage records. We were not provided with any documentation to support these reviews. We examined the usage of 10 vehicles during June 2014 by reviewing odometer readings, vehicle logs, fuel usage reports and supporting work schedules. Although we did not find any discrepancies, there is a risk that personal use could occur and go undetected at a significant cost to the County.

Disposal – The vehicle policy does not address the disposal of vehicles. We were told that department heads determine when a vehicle in their fleet is no longer of use to the department and they notify the Clerk’s office. A memo is then circulated to the other departments to see if any are interested in the vehicle. If no other departments are interested, then the vehicle is approved for surplus by Board resolution. Once authorized as surplus, the County Department of Public Works (DPW) determines if the vehicle is to be auctioned, scrapped or kept on hand for parts and takes care of the disposal. We found that this process was not always followed. For instance, seven of the 19 vehicles disposed of during our audit period did not have Board authorization. Additionally, when a County is selling a vehicle for scrap, it should be sold with a New York State (NYS) Salvage Certificate in accordance with the New York State Department of Motor Vehicles (DMV) Commissioner’s Rules and Regulations.

We reviewed the DPW maintenance supervisor’s process for determining the best method of disposal. This process involved obtaining repair recommendations and cost estimates from the senior mechanic and comparing these estimates to the vehicle’s book value. However, we question whether this method is effective and is in the best interest of the County. All of the disposed vehicles were privately sold or scrapped without any public advertisement. County officials informed us that it was not worth the time, cost and effort to trade-in or auction the vehicles off through public advertisement. However, we found that the County received \$5,600 for 17 disposed vehicles,⁷ while we found that they could have potentially received \$17,400 to \$31,600 had they either traded them in or auctioned these vehicles.⁸

⁷ We were unable to obtain valuations based on the Kelly Blue Book for two of the vehicles; therefore, we only compared the amount received for 17 vehicles.

⁸ We based our valuations on the Kelly Blue Book values for fair condition.

Additionally, two of the Board-authorized disposed vehicles (2007 and 2008 Chevrolet Impalas) were sold to the brother of the senior mechanic. This mechanic recommended the method of disposal for the scrap value of \$350 each. We later determined through a comparison of vehicle identification numbers to the DMV system that the 2008 vehicle (see Figure 1) was registered to this senior mechanic two days after the sale and is currently being driven by him. This was able to occur because the County transferred the titles of ownership without issuing NYS Salvage Certificates.

Figure 1: Disposed 2008 Chevy



The senior mechanic later sold the 2007 vehicle for \$650 on June 17, 2014 to a local salvage vendor for a potential profit of \$300. The County potentially could have received \$5,400 to \$8,400 for these two vehicles had they either traded them in or auctioned them. County officials did not provide us with any details or reasoning for why the senior mechanic and his brother were sold these vehicles at scrap value prices.

Although we were able to trace the collection of money for these 19 disposed vehicles to deposits into County accounts, without written policies or procedures that include criteria for determining the best method of disposition, the County may not be getting the best value for the disposed vehicles. Furthermore, since the Departments have custody over the vehicle titles of ownership, allowing them to make decisions regarding the vehicles without Board oversight, there is no way to be sure that other County vehicles were properly disposed of or that money from the disposals was deposited in its entirety.

Recommendations

The Board should:

1. Amend its vehicle policy to clearly specify which employee positions or criteria should be used to assign a County vehicle and include specific provisions for the disposal of County vehicles.
2. Ensure that only authorized County employees are assigned County vehicles.
3. Maintain custody of all County vehicle titles of ownership at a central location.

The Board and Department Heads should:

4. Thoroughly evaluate the cost-effectiveness of keeping County vehicles at off-site locations and each disposal method prior to the disposal of any County vehicles.
5. Ensure that all disposed vehicles sold by the County have properly transferred titles of ownership in accordance with the DMV Commissioner's Rules and Regulations.

The Department Heads should:

6. Maintain and adequately review vehicle logs, monitor fuel consumption and develop written assignment procedures for the usage of County vehicles.

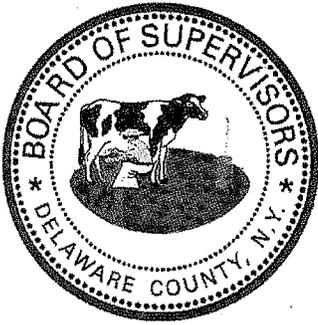
APPENDIX A

RESPONSE FROM COUNTY OFFICIALS

The County officials' response to this audit can be found on the following pages.

The response letter contains references to accompanying documents. Because the response letter sufficiently explains the relevance of these documents, they are not included here.

The District's response also refers to page numbers in the draft report. These page numbers may have subsequently changed as a result of the final formatting process.



**DELAWARE COUNTY
BOARD OF SUPERVISORS**

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Delhi, New York 13753

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James E. Eisel, Sr., Chairman
Christa M. Schafer, Clerk

April 3, 2015

H. Todd Eames
Chief Examiner
Office of the State Comptroller
Binghamton Regional Office
44 Hawley Street
Binghamton, NY 13901-4417

Dear Mr. Eames:

In response to the draft report number 2014-M-258 of the NYS Comptroller's Office entitled, *Delaware County Vehicle Usage and Disposal*, the Delaware County Board of Supervisors (hereinafter Board) submits the following.

The Board has taken steps to address the issues presented in the report. A county-wide Vehicle Policy is being reviewed by the Human Resource/Insurance Committee. An important step in the process was the renewal of the union contract amending the language applicable to the use of County vehicles. With its inception at the beginning of this year, the Committee is now able to go forward with a policy that will ensure that County vehicles are being used properly and in a fiscally responsible manner. The policy will encompass the recommendations provided in the report as well as other considerations unique to this County.

It is also important to note that the departments named in the report objected to some portions thereof and incorporated in this letter are statements by departments in rebuttal or explanation to the findings.

Probation Department

On page 6, first paragraph, first sentence the report states there is no consistent method for vehicle assignment and location after hours. Each Probation Officer eligible to operate a County vehicle is assigned their own vehicle, which precludes the need for a "method". There is no pool to select from and no swapping vehicles between Probation Officers. In fact, when half of the Probation Department fleet was grounded in August of 2014, vehicles were assigned judiciously with caseload locations and staff responsibilities in

See
Note 1
Page 17

consideration. The Department would be very interested in obtaining a better method from the Comptroller's Office for vehicle assignments in a department with nine motor vehicles and nine eligible operators than the one currently in place. With respect to the after-hours location, half of the County vehicles utilized by Probation Officers are kept at the Public Safety Building in Delhi. The other vehicle locations were determined based on the geographic caseload assignments of the Probation Officer. For example, the Probation Officer who ends their workday in Stamford has the ability to leave their vehicle in the Village of Stamford. This precludes the need for the Probation Officer to drive from Stamford to Delhi, saving the Department the expense of payroll and wear on the vehicle. Probation Officers also are required to work after-hours to conduct field work and to attend court sessions. Again the geographic location of the vehicles facilitates the Probation Officers ability to engage in these activities.

On page 6, second paragraph, fourth sentence of the auditor's report states that there are no written procedures for assignments of vehicles and the Probation Department is listed as a department that does not maintain vehicle logs. The Department disagrees with that statement. The Probation Officers on staff who are required to work in the field are each assigned their own vehicle for use and therefore a written procedure is not necessary and would be redundant. Probation Officers are required to provide a road schedule which lists the locations they will be at throughout the day and they are further required to use the police band radio to transmit their arrival and departure from each location with dispatchers. Routinely the road schedules are cross referenced with the dispatcher's reports. Also, as a standard course of business, the monthly gas report provided by the [REDACTED] fuel system, details odometer readings, location of gas purchase, as well as date and time of purchase are reviewed in conjunction with road schedules for any discrepancy.

See
Note 2
Page 17

See
Note 3
Page 17

On page 7, first sentence under the heading Usage, the report states, "None of the six departments were adequately monitoring the vehicle usage." On any given day the Probation Department can have over six Probation Officers in the field covering significant areas of supervision. Road schedules are provided to administration, support staff, and dispatchers prior to departing. Probation Officers are required to call in to dispatchers when arriving and departing each location on their road schedule via police band radios. To cross reference every road schedule with gas usage, odometer reports and dispatch reports, would be onerous and an impractical use of time. These reports are reviewed periodically for Probation Officers but cannot be done on a daily basis. Furthermore, all Probation Officers are assigned iPads that can be used to determine the location of the Probation Officer in field virtually instantaneously.

Public Works

The report indicates that the Board should have a policy governing the use of County vehicles which specifically addresses who will be assigned or what criteria will be used to assign vehicles as well as where the vehicles will be located after normal working hours.

There is a fine line between accountability and unjustifiable loss of productivity to achieve total accountability. DPW's fleet of vehicles are purchased and maintained for the sole purpose of providing a safe, cost effective and reliable transportation system and for solid waste disposal services to the County taxpayer. As stated in the introduction of the report, the

County is 1446 square miles in size. DPW has 6 maintenance facilities scattered around the County from which it provides services. Depending on where needs are, it is important that the Department managers have the flexibility to move the vehicles around as required to get jobs done. That might mean that the vehicles are not returned to the same location every night but that they are kept in the most cost effective location. Vehicle pooling to return employees to their home shop minimizes the use of fuel as opposed to getting every vehicle back to a designated location.

See
Note 3
Page 17

Due to efforts to reduce overall costs to the taxpayer, DPW has reduced the size of the workforce through attrition in addition to 10% over the last 20 years. Along with the reduction comes the importance of flexibility. The County no longer has the luxury of having specific job titles. Now it is important that all employees be able to do just about any task required within the Department. It is imperative that all employees be authorized to drive County vehicles because we never know when they will be required to do so. Having only certain designated drivers would reduce our ability to get work done efficiently. It is also imperative that all employees realize the responsibility of being able to operate County vehicles safely, effectively and responsibly. It is understood by all employees that inappropriate use of County vehicles will result in serious disciplinary action being taken against them. Any complaints received by the Department about vehicles being used inappropriately are acted on quickly. Not having the flexibility of having all DPW employees authorized to operate County vehicles would be extremely counterproductive.

The report indicates that County officials should also monitor the usage of each vehicle by requiring drivers to maintain adequate records or logs of destination, purpose of trip, mileage readings and fuel usage. DPW does not require mileage logs on the smaller trucks because of time restraints. It does maintain mileage logs on the large trucks for purposes of documenting snow removal periods, hauling times and production planning. The smaller trucks cannot be cost effectively monitored. The Department has 38 pickups and cars it uses for transportation purposes. If the drivers of each of those vehicles spent 5 minutes per day filling out the proposed reports it would account to approximately 823 lost time hours for the year at a cost of approximately \$27,500. If there was a person reviewing the records in accordance with the report it would require approximately 6.3 hours per day at a cost of approximately \$47,580 per year. The total cost of keeping and reviewing the records would be approximately \$75,000 per year at no increase in highway quality to the taxpayer. Accountability and responsible use of taxpayers equipment and vehicles is definitely necessary but not at an unreasonable cost. DPW does have an automated fuel dispensing system that closely monitors how much fuel is used in each vehicle and who is responsible for pumping that fuel. There are individual keys for each employee and vehicle that is individually, uniquely programed. That software is programmed to prevent the dispensing of too much fuel or the wrong type of fuel to each vehicle. It also monitors how much fuel an individual dispenses for the day. If either is over prescribed limits, there is a flag that calls it to management's attention or shuts the system down completely so no more fuel can be pumped.

See
Note 2
Page 17

The report indicates that cost-benefit analyses to support the after-hours locations of vehicles are not being performed. DPW has the highway Foreman take their vehicles home at night for the sole purpose of reducing response time to off hour complaints. During the winter,

the foremen leave directly from their home to check the conditions of the roads under their jurisdiction. That way, if the conditions are poor, they can call the snow plow operators in as quickly as possible. They also respond directly from their homes if there is a tree down, a flooding condition or other roadway related incident. Leaving directly from home reduces the response time to those roadway emergencies for the protection of the traveling public. The foremen's trucks are outfitted with a minimum number of tools and equipment necessary to respond to those emergencies. By having this equipment at the site as quickly as possible minimizes exposure of the traveling public. DPW performed a cost-benefit analysis in 2012 that identified the cost of having these trucks kept at home and what the benefits of doing so were in quicker responses. The resulting costs per emergency call ranged from \$1.32 to \$146.23 per call with the average being about \$32.00 per emergency call. The assignment of County vehicles to DPW road patrol foremen personnel is solely for the benefit of the taxpayer in the form of quicker response times to off hour roadway hazards.

See
Note 4
Page 17

See
Note 5
Page 17

Under Vehicle Disposal, the report indicates that County officials stated it was not worth the time, cost and effort to trade-in or auction the vehicles off through public advertisement. That decision was made overtime and resulted from experience of trying to dispose of surplus property using different methods. Typically, the County does not dispose of any vehicles or equipment until it has reached the end of its useful life. The DPW used to have an auction every year to dispose of surplus property. The proceeds from those auctions usually did not cover the cost of advertising, preparation and auction time. There were suggestions that the private auctioneers might be more efficient at moving the surplus equipment and vehicles. With that suggestion being made, private auctioneers were contracted for a few years to advertise and sell the surplus equipment. They decided that there was not enough money in the vehicles being sold by the County to make it worth their while. After that, the County disposed of most of the surplus vehicles as scrap.

The report indicates that two of the County vehicles were recommended for sale as scrap by DPW and that those vehicles ended up being owned by the mechanic that recommended that they be disposed of as scrap. That is unacceptable and will be addressed by the DPW. The DPW has requested the investigators report to get all the facts identified by the investigators during their investigation of the incident. That report has not been received yet but when it is it will serve as the basis for disciplinary action. In the meantime, the County has adopted an interim policy until a formal policy is adopted by the Board. The policy is:

- All vehicles and equipment no longer needed by the County will be deemed surplus by an action of the Board of Supervisors
- The scrap value of the vehicle will be determined by multiplying the current unit price for scrap times the tare weight of the vehicle
- The scrap value of the vehicle will set the minimum required bid for an on line bidding service
- The availability of the surplus equipment being sold on line will be advertised in the two County legal papers
- If bids are received that are above the minimum bid, the County will sell the vehicle
- If bids received are less than the minimum, the vehicle will be disposed of as

scrap with a salvage certificate.

Sheriff's Department

Vehicles assigned to members of the Office of Sheriff are done so in permanent fashion. Since the Department is a law enforcement agency subject to recall 24 hours per day / seven days per week, the vehicles are permanently assigned to members and are parked "ready" at their residences during off-duty hours. This enables immediate recall during emergency incidents and provides the member being recalled with the appropriate emergency vehicle and associated equipment to deal with the incident in the safest, quickest and most cost-effective way possible. This significantly enhances officer safety as well as public safety at large in a County where there are not many police officers and calls for service generally have significant response times.

See
Note 4
Page 17

The aforementioned information, as well as documented vehicle assignment rosters, was provided to the staff of the Comptroller's Office during their visits. Also, please see attached policy #460 "Take Home Car Policy".

Also attached, please find a copy of a comprehensive study regarding "Take Home Cars" completed by the [REDACTED]

See
Note 6
Page 17

[REDACTED] This study was used in determining the appropriateness of the Department's Take Home Car policy. Some of the pertinent bullet items are:

- Operating costs per mile were 30% lower for assigned rather than pooled vehicles.
- Pooled vehicles had to be replaced every 20 to 26 months compared to an average of 60 months for assigned vehicles.
- Officers who take vehicles home typically render a significant amount of service while "off-duty"
- One of the most significant reductions for assigned vehicles was due to lower accident and damage repair costs. The City of Tacoma found that a pool vehicle averaged \$8,400 in damage, while an assigned vehicle required only \$1,375 per year. Over the 8 year period, a fully assigned vehicle fleet would generate a total of \$189,000 in accident and damage work compared to \$365,000 for a full fleet of pooled vehicles.

Regarding the vehicle logs not maintained by the Department, the vehicles assigned to the Office of the Sheriff are 24/7 law enforcement vehicles which are permanently assigned to members. There is no pool of vehicles. It would be completely impracticable and inefficient to require "vehicle logs" for patrol vehicles and/or vehicles assigned for law enforcement purposes. To require Deputies to log mileage between service calls, traffic stops or routine patrol is not practicable and completely inefficient. Moreover, instituting such a procedure could subject such records to FOIL requirements and compromise police investigations as well as officer safety. It is the Department's position that this procedure is consistent with police operations across the State.

See
Note 2
Page 17

The vehicles assigned to the Office of the Sheriff are monitored daily. Deputies are required to document their mileage with Communications Division at the beginning and end of their shifts. Furthermore, a report is generated monthly documenting the amount of miles driven by

the Deputies. These reports are spot-checked with mileage reports and gas logs provided by the [REDACTED] fuel system to ensure the integrity of vehicle usage.

See
Note 3
Page 17

In response to the statement that County vehicles are disposed of without proper Board authorization is incorrect. Each and every vehicle disposed of by the Office of the Sheriff had Board authorization prior to disposal and our Office can provide supporting documentation accordingly.

See
Note 7
Page 17

The report states there is no consistent method for how County vehicles are assigned and where they are kept after hours, again, the Office of Sheriff clearly can demonstrate the manner in which County cars are assigned and where they are stored after hours. As stated prior, policy #460 "Take Home Cars" is attached.

See
Note 1
Page 17

The Office of the Sheriff has and will continue to practice due diligence in monitoring vehicles assigned to our members. The Office vehicle monitoring is grounded in sound policies and procedures. Moreover, utilizing the capabilities of the [REDACTED] fuel system enables the Office to better monitor vehicles usage as [REDACTED] has enhanced accountability measures. [REDACTED] allows for fuel/mileage driving analysis at the convenience of a keystroke and other system safeguards such as the ability to restrict the type and amount of fuel purchased. Flags can be instituted to alert the fleet manager of fuel mileage discrepancies for further consideration or investigation.

The Office of the Sheriff continues to be accountable and can clearly document and justify the assignment of all departmental vehicles accordingly.

Social Services

The responsibilities of some Department of Social Services staff necessitate attending to a work site during "off duty" hours for the purpose of assessing the safety of children and youth as required by on call procedures. Caseworker Trainees, Caseworkers and Senior Caseworkers have a responsibility to make regular home visits to residents in managing respective child protective, preventive, adult protective and foster care services caseloads. Caseworker Trainees, Caseworkers and Senior Caseworkers are assigned cases in a particular geographical area; such permits these workers to report directly to clients' residences prior and subsequent to reporting to the home office located in Delhi. The use of take-home vehicles is a privilege and is yet conducive to maximizing productivity sought in a seven hour work day. The Department of Social Services expects employees assigned take-home vehicles to act responsibly and use necessary discretions in the operation of such vehicles. Violation of County policies and procedures may lead to that privilege being revoked or other disciplinary actions as applicable. Employees who park County vehicles at their residence are required to complete a Statement of Personal Use of a County Vehicle. This is required by Internal Revenue Service regulations to consider the value of the personal use of the vehicle as cash wages and to report this amount on a W-2 form and withhold FICA taxes on this amount.

The Department of Social Services requires employees to maintain logs of destination, purpose of trip, and odometer readings to determine that County vehicles are being used for their intended purposes. The oversight and expectation that such adequate records are being

maintained satisfactorily is an expectation and a requirement of the new administration. Appropriate measures will be taken should employees not comply with submitting monthly vehicle logs. Vehicle logs will be reviewed and compared to the "in-field" log which records the daily whereabouts of every Caseworker Trainee, Caseworker and Senior Caseworker seeing clients in the field. Vehicle logs shall be submitted on the last business day of each month by Caseworker Trainees, Caseworkers and Senior Caseworkers for Supervisory signoff and submission to administration.

The Board and its constituency will be assured that the Department of Social Services will practice due diligence and increased oversight in monitoring County vehicles assigned to its employees. In an effort to increase oversight by administration and assure accountability of employees, the Department will implement Appendix A: REQUEST/JUSTIFICATION FOR TAKE-HOME VEHICLE ASSIGNMENT and Appendix B: TAKE-HOME VEHICLE POLICY ACKNOWLEDGEMENT form to be completed and signed by any employee assigned a County vehicle. Such documentation will be kept on file in administration.

It should be noted that only employees who are assigned to field work and in-field on call duties will be assigned a County vehicle. The Commissioner, Deputy Commissioner, Director of Programs, Director of Services, Grade A Supervisors, Grade B Supervisors and all employees in the Department's Programs division are not assigned County vehicles. This will remain the policy of the Department.

In conclusion, the Board will adopt a Vehicle Policy that will ensure adequate monitoring to provide what is in the best interests of this County and its taxpayers.

Respectfully,

James E. Eisel, Sr.
Chairman of the Board

JEE:cms
Attachments

APPENDIX B

OSC COMMENTS ON THE COUNTY'S RESPONSE

Note 1

The method of assigning vehicles is not consistent across all County departments.

Note 2

The County's vehicle policy requires all departments that have vehicles assigned to them to maintain written procedures for the assignment of vehicles and vehicle logs which identify each vehicle by year, make and number and include the name of the driver, the date driven, the purpose of trip and the destination.

Note 3

We were told this information during the audit. However, documentation was not provided to us to support the assertions.

Note 4

Some vehicles are provided to employees for safety purposes and, therefore, may be justified.

Note 5

This was provided to us at the exit discussion. While useful, this analysis is insufficient because there is no comparison made to the overall cost incurred as a result of the vehicles being kept off-site (i.e., commuting costs).

Note 6

This was not provided to us prior to the audit response nor is it specific to the Sheriff's Department.

Note 7

This is not applicable to the Sheriff's Department as the disposed vehicles lacking Board authorization belonged to other departments.

APPENDIX C

AUDIT METHODOLOGY AND STANDARDS

During this audit, we examined Delaware County's fleet management practices and policies and related records from January 1, 2013 through August 15, 2014. We extended the scope of our audit period to various prior periods for the purpose of reviewing Board resolutions and policies related to the usage and disposal of the vehicles. To accomplish our objective of assessing the County's management over the usage and disposal of its vehicles, we performed the following audit steps:

- We interviewed appropriate County officials to gain an understanding of the procedures and controls in place over the usage and disposal of fuel and vehicles as well as the management of the County's vehicle fleet.
- We examined policies and Board resolutions related to the usage and disposal of County vehicles.
- We reviewed the County's vehicle inventory and the assigned drivers for each department to determine if each County vehicle was assigned to a Board-approved County employee.
- We selected a sample of 25 County vehicles assigned to employees that were kept off-site from employees' central department location and reviewed the County's vehicle policy to determine if each employee keeping a County vehicle at their place of residence or off-County premises was actually authorized to do so.
- We selected a sample of five vehicle logs for the months of June through August 2014 for vehicles assigned to field employees and reconciled current odometer readings back to each of the June vehicle logs. We also reviewed the driving destinations, dates and mileage for the last week of June 2014 for reasonableness using employee work schedules and a mapping application as corroborating evidence.
- We selected a sample of five fuel usage reports for the months of June through August 2014 for vehicles assigned to field employees and reconciled current odometer readings back to each of the June fuel reports. We also reviewed the driving destinations, dates and mileage during the period of time between the last and second-to-last fuel transaction for the month of June 2014 and evaluated for reasonableness using employee work schedules, dispatch call-outs and a mapping application as corroborating evidence.
- We reviewed the Department of Social Services vehicle logs for the months of June and July 2014 and documented the number of days and miles each vehicle was used by an employee for commuting round trip to the Department's main office using a mapping application. We then compared the commuting miles to the actual miles driven using odometer readings on the County's fuel system as of the last transaction on or prior to June 1, 2014 and first transaction on or after July 31, 2014. We then averaged the commuting miles and projected them over a 12-month period and compared it to the total miles driven using odometer readings on the County's fuel system as of the last transaction on or prior to September 1, 2013 and the first

transaction on or after August 31, 2014. Lastly, we multiplied the projected annual commuting miles by a weighted average of the Internal Revenue Service's mileage reimbursement rates for 2013 and 2014 to determine the projected annual cost of the commuting miles from September 2013 through August 2014.

- We observed if the after-hour locations of all County vehicles assigned to be kept at 99 or 111 Main Street in Delhi (County facilities), as well as a sample of 10 vehicles assigned to be kept at non-County-owned facilities, were in their correct after-hours locations.
- We reviewed pertinent documentation such as auto insurance records, bills of sale and transaction receipts in corroboration with direct observations to determine the total number of County vehicles that were disposed of during the audit period. We documented the make, model, mileage, vehicle identification number and County department to which each vehicle was assigned. We then reviewed accounting records, check images and bank statements to determine if the money collected for each disposal was deposited into a County bank account.
- We researched the blue book value for each of the disposed vehicles as of August 2014 and compared what the County received for each vehicle to determine if the amounts were reasonable.

We conducted this performance audit in accordance with GAGAS. Those 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 objectives.

APPENDIX D

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