

# DeKalb



# County

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Department of Finance

Internal Audit and Licensing

## MEMORANDUM

**TO:** Greg Brake, Associate Director – Public Works Fleet Management

**FROM:** Acting Deputy Director of Internal Audit & Licensing

**DATE:** December 22, 2010

**SUBJECT:** DeKalb County Take-Home Vehicles Audit Report 2010

Attached is the report of the Take-Home Vehicles. The issues raised in the report were discussed with the Associate Director of Fleet Management, Greg Brake, and Operations Manager, Vernetha Halls, at an exit conference on December 28, 2010.

As is customary with our audit work, we do not include the auditee's comments in our report. However, if you would like to comment on the report, you may consider sending your comments or response directly to our department head, Joel Gottlieb.

We appreciate the cooperation and assistance received from Fleet Management Division during the course of this audit. If you have any questions about the audit or this report, please feel free to contact me at 404-371-2639.

Sincerely,

Cornelia Louis

Cc: Richard Stogner, Chief Operating Office/Executive Assistant  
Joel Gottlieb, Interim Finance Director  
Ted Rhinehart, Deputy Chief Operating Officer for Infrastructure  
Gwen Brown-Patterson, Acting Deputy Director of Budget & Grants

CL/AW

# **DeKalb County Take Home Vehicles Audit Report**

**Finance – Internal Audit & Licensing  
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Decatur, Georgia 30030**

# TAKE HOME VEHICLE REVIEW

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## **Take Home Vehicle Audit Review**

### **BACKGROUND**

#### **Background:**

The Public Works-Fleet Management Division provides vehicles to County employees and completes routine maintenance and repairs to ensure the safety of County employees. DeKalb County's Fleet includes police sedans, sanitation rear loaders, fire trucks, and pick up trucks, sport utility vehicles, etc. Fleet Management maintains about 95% of the approximate 3,400 County vehicles in service. Currently, the County has approximately 500 take-home vehicles.

Take-home vehicles are issued to DeKalb County employees to respond to emergencies outside of normally assigned duty hours. Emergencies are defined as sudden, unexpected, occasion or combinations of events calling for immediate action.

Internal Audit reviewed each department's fuel and maintenance costs for take-home vehicles. Since our 2008 audit review of DeKalb's take-home vehicles, the Chief Executive Officer (CEO) issued a new policy for the use of County take-home vehicles. The new policy, Executive Order for County Take-Home Vehicles, outlines that all future requests for County take-home vehicles must be submitted to the CEO on the "Request for County Take-Home Vehicle Form."

The CEO established the following procedures that will govern DeKalb County employees' use of County take-home vehicles, or compensation in lieu of same:

1. The Chief Executive Officer, or his designee, shall determine which employees may use County take-home vehicles or receive compensation in lieu of same.
2. Within 30 days of this order, the Fleet Management Division of the Public Works Department shall submit a report to the Chief Executive Officer detailing the legitimate business purpose of every county take-home vehicle. This report will also outline the Fleet Management Division's recommendation of which County take-home vehicles should be removed from the County's fleet based on legitimate business purposes.
3. Within 30 days of this order, every employee who currently uses a county take-home vehicle, or who receives compensation in lieu of same, must complete and submit to the Chief Executive Officer a Request for County Take-Home Vehicle form, which is attached hereto so the Chief Executive Officer, or his designee, can determine an employee's eligibility to use a county take-home vehicle or receive compensation in lieu of same.
4. For those employees who currently drive County take-home vehicles and are subsequently found to be ineligible for a County take-home vehicle, they must immediately surrender possession of the vehicle to the Fleet Management Division of the Public Works Department.



5. All future requests for County take-home vehicles must be submitted to the Chief Executive Officer on the Request for County Take-Home Vehicles form.
6. Each employee who has been issued a county take-home vehicle shall submit to the Chief Executive Officer a Request for County Take-Home Vehicles form on an annual basis.
7. If an employee is eligible for a county take-home vehicle, the employee must sign an acknowledgement that they have read and reviewed the County vehicle rules promulgated by the Fleet Management Division of the Public Works Department.
8. Smoking is prohibited in County vehicles
9. No employee residing more than thirty-five (35) miles outside the County line shall be eligible to use a County take-home vehicle.
10. No employee who is not required to work outside of normal business hours, as determined in the sole discretion of the Chief Executive Officer, shall be eligible to use a county take-home vehicle.
11. Any exceptions to this order must be submitted to and approved in writing by the Chief Executive Officer, or his designee.

# **Take Home Vehicle Audit Review**

## **OBJECTIVE & METHODOLOGY**

### **AUDIT OBJECTIVE AND METHODOLOGY**

The primary objectives of this audit were the following:

- Obtain and review the County's 2009 Take-Home Vehicles policy and departmental procedures for take-home vehicles.
- Ensure the Chief Executive Office, Fleet Management and the appropriate departments are in compliance with Executive Order for County Take-Home Vehicles.
- Review and compare fuel, maintenance, and repair costs for take-home vehicles with costs from our last Take-Home Vehicle audit.
- Ensure controls have been implemented to limit the risk of unauthorized use of Take-Home Vehicles.

Our review was conducted in accordance with Generally Accepted Auditing Standards and included such test of records and other auditing procedures as were considered necessary under the circumstances.

Based on the results of our review, we prepared specific issues and related recommendations for improvement that were discussed at the exit conference with the Fleet Management Division of Public Works. These recommendations can be found in the following sections of this report.

### **Specific Objectives:**

1. Obtain manuals, policies, and procedures
2. Examine controls to determine possible risks
3. Ensure compliance with manuals, policies, and procedures
4. Compared the County's Take-Home Vehicle policy with other jurisdictions

### **SCOPE**

Review and evaluation of countywide take home vehicles of the period June 1, 2008 through May 31, 2010.

## **TESTING PROCEDURES:**

The following were audit steps performed:

### **OBJECTIVE 1 – Obtain Manual, Policies, and Procedures**

1. Obtain the Executive Order 09-03, DeKalb County Georgia's Policy for County Take-Home Vehicles issued in 2009.
2. Obtain the policies and procedures from the appropriate departments with take-home vehicles.
3. Interview department personnel with take-home vehicles to develop and understanding of their process.

### **OBJECTIVE 2 – Examine Controls**

1. Compare the total number of take-home vehicles with vehicles identified in our September 30, 2008 audit review.
2. Obtain and compare fuel, maintenance, and repair costs for take-home vehicles with costs from September 30, 2008 audit review.
3. Ensure segregation of duties exist during the process.
4. Evaluate process for efficiency and effectiveness.

### **OBJECTIVE 3 – Ensure Compliance with Policies**

1. Review manual, policies, and procedures and ascertain compliance with the 2009 Take-Home Vehicle Policy.
2. Ensure documentation exists for assigned Take-Home Vehicles.
3. Review recommendations made in our September 30, 2008 Audit Review of Take-Home Vehicles.

### **OBJECTIVE 4 – Review Procedures of Other Metro Atlanta Jurisdictions**

1. Obtain the number of other jurisdictions take home vehicles.
2. Review other jurisdictions policy and procedures for take home vehicles.
3. Compare the County's total number of take-home vehicles and policy with other jurisdictions.



## **I. Obtain Manuals, Policies, and Procedures**

Prior to the Executive Order for Take-Home Vehicles, the County did not track take-home vehicles. Since the new policy, several improvements were made to identify fuel, maintenance, and repair costs for take-home vehicles. DeKalb County has fourteen departments with take home vehicles. An estimate of 500 DeKalb County employees have take-home vehicles.

The new executive order for take-home vehicles, effective May 1, 2009, applies to employees and departments under the direction of the CEO. All departments managed by “elected officials” are not required to adhere to take-home vehicle guidelines set by the Chief Executive Office of DeKalb County. The following elected official departments have take-home vehicles.

- District Attorney Office
- Sheriff Office
- Solicitor General’s Office

### **Issue**

- The old policy, written in 1977, states “each employee of the County shall use County-owned or leased vehicles for official purposes only.” (Section 1-3 (c) The current Take-Home Vehicle policy does not address the primary use of county vehicles.
- The 1977 policy also mentions “each Department Head’s responsibility of assuring the policy terms and conditions are being properly imposed.” (Section 1-3 (g) - (j) The new policy does not address the Department Head’s responsibility of assuring the policy terms and conditions are being properly imposed.

### **Recommendation**

- We recommend the CEO and Fleet Management consider revising the current take-home vehicle policy to include the following suggested guidelines:
  - All County employees who are assigned and operate County take home vehicles shall use County-owned or leased vehicles for official purposes only.
  - Department Heads or Elected Officials are responsible for assuring that employees use County vehicles solely for official purposes and that during such use, proper care, operation, and protection of the vehicle is exercised.
  - Each Department Head or designee shall be responsible for investigating reports of violators within his/her department and reporting any violation of these provisions to the Chief Executive Office.

#### **Employee Eligibility for County Take- Home Vehicle:**

1. Employees whose primary responsibility is responding to emergencies which require immediate response to protect life or property of DeKalb County residence.
2. Employees on extended disability leave, extended family medical leave, or suspended from duty shall not be eligible to have take-home vehicle. Therefore, their vehicles should be returned to the County.
3. All County employees requesting take-home vehicles must live within the County lines.



**Operation of County Take-Home Vehicle:**

1. Employees are responsible for the security and safe-keeping of the vehicle at all times while in their possession. Drivers shall insure that all passengers wear seat belts while the vehicle is in motion.
2. Employees receiving a citation related to the operation of take-home vehicles are personally responsible for fines related to such offences.

## **II. Examine Controls**

During our September 30, 2008 Audit Review, Fleet Management reported 3,610 County Vehicles. As of October 8, 2010, the total number of county vehicles was 3,396. The total number of County vehicles includes all heavy equipments, emergencies, helicopters, and take-home vehicles.

The estimated number of take-home vehicles was based on Fleet Management's list and each department's record of take-home vehicles as of June 2010.

<b>Audit Year</b>	<b>Total Number of County Vehicles</b>	<b>Take Home Vehicles Comparison</b>
<b>2008</b>	3,610	237 <sup>(a)</sup>
<b>2010</b>	3,396	501

Exhibit A

(a) Please see Exhibit B for full details of 2008 Take Home Vehicle September 30, 2008 Audit Review Table. Police Services did not report total number of Take Home Vehicles during our 2008 Audit review.

### **Issue**

- During our interview with Fleet Management, we were informed that Fleet Management does not track take-home vehicles and maintain a list of take-home vehicles for departments not under the direction of the CEO.

### **DeKalb County Fuel, Maintenance, & Repair Costs for Take Home Vehicles For Year to Date 2007 and Period to Date June 30, 2008**

<b>Departments</b>	<b>Take Home Vehicles</b>	<b>2007 Totals \$</b>	<b>1<sup>st</sup> Half of 2008 Totals \$</b>
Airport	1	2919	1,311
District Attorney	35	62,338	40,898
Fire & Rescue	20	48,050	35,687
Fleet Maintenance	7	11,500	8,682
Medical Examiner	12	33,716	20,275
Parks & Recreation	5	20,523	9,738
Public Defender	16	37,504	23,255
Roads & Drainage	10	16,610	11,791
Sanitation	1	5,025	4,072
Sheriff	43	174,007	126,831
Solicitor State Court	15	29,289	15,841
State Court- Marshal	20	114,030	82,083
Watershed Management	52	179,871	126,873
Total	237	\$735,382	\$507,337

*Fuel & Maintenance cost identified by unit # & cost center*

Exhibit B

**DeKalb County**  
**Fuel, Maintenance, & Repair Costs for Take Home Vehicles**  
**For Year to Date 2008, 2009 and Period to Date September 14, 2010**

Department	Take Home Vehicles	2008 Total \$	2009 Total \$	2010 Total \$
Airport	2	3,023	3,731	2,400
District Attorney <sup>(a)</sup>	34	105,142	85,880	49,588
Fires & Rescue	11	44,211	24,550	15,738
Fleet Management	6	12,966	14,277	6,492
Marshall's Office	22	112,290	117,826	66,157
Medical Examiners	8	20,274	15,401	11,250
Police Safety	312	1,044,662	1,029,016	628,690
Public Defenders	16	43,682	46,543	11,308
Public Works	1	83	838	495
Roads & Drainage	8	30,214	24,610	13,377
Sanitation	1	6,760	3,041	0
Sheriff's Office <sup>(a)</sup>	41	200,830	178,663	100,997
Solicitor General <sup>(a)</sup>	15	36,786	32,142	20,999
Watershed	24	102,059	95,679	51,526
<b>Total of Take Home Vehicles</b>	<b>501</b>	<b>\$1,762,982</b>	<b>\$1,672,197</b>	<b>\$979,017</b>

<sup>(a)</sup> The Finance Department of Budget & Grants tracked the fuel, maintenance, and repair cost by identifying the vehicle unit # & cost center provided by Internal Audit.

***Exhibit C***

**Recommendation**

- To reduce fuel and maintenance costs, we recommend that the County reduce the number of authorized take-home vehicles

Take-home vehicles increased maintenance costs, shorten vehicle life, and may create larger fleet since take-home vehicles aren't available for County use when employees take time off.

- To maintain a proper record of fuel and maintenance costs relating to take-home vehicles, we recommend the CEO's Office and Fleet Management develop a plan to track all take-home vehicles, including the departments not under the direction of the CEO.

During our review of take-home vehicles, the departments not under the direction of the CEO provided Internal Audit with a list of their take-home vehicles.

**Comment**

- Since 2008 Audit of take home vehicles, Fleet Management added to their procedures to record take-home vehicles for each department under the direction of the CEO. Fleet Management requested each department submit the following:
  - Total of Department Take Home Vehicles
  - Vehicle Unit Number
  - Year, Make , & Model of County Vehicle
  - Employee Name
  - Division of Employee with Take Home Vehicle



The tracking of take home vehicles by Fleet Management has been an effective procedure in identifying fuel, maintenance, and repair costs.

### **III. Ensure Compliance**

The Executive Order for County Take-Home Vehicles was created to govern DeKalb County employees' use of take-home vehicles. The Chief Operating Officer (COO) approves request forms for take-home vehicles.

Fleet Management requested from the departments with take-home vehicles to identify their cost center, unit number, employee ID, and the position number of employees with take-home vehicles. We submitted the following questions to departments under the direction of the CEO's office with take-home vehicles:

1. Did each employee read & sign the policy & procedure for Take Home Vehicles once the Take Home Vehicle Request Form was approved?
2. Are there employees under the direction of the CEO's office that received a take home vehicle without completing a Take Home Vehicle Request Form?
3. Has your department observed any abuse of County property (vehicles) by an employee?
4. Due to budgetary constraints facing the county, has your department considered ways to conserve fuel for the County? If so how?

#### **Issue**

- **Procedure 1-** "The Chief Executive Office, or his designee, shall determine which employees may use county take-home vehicles or receive compensation in lieu of same."

Out of the 457 Take-Home Vehicle Request Forms we received, two forms had a signature of a designee from the CEO's Office.

The CEO Administration informed Internal Audit that the Take-Home Vehicle request forms were approved by batch rather than signing individual forms for each request.

#### **Recommendation**

- To ensure eligibility of take-home vehicles has been approved and compliance with the policy, we recommend that each request form be signed or stamped by the CEO or his designee. The omission of the CEO or his designee's signature on the Take-Home Vehicle Request Form can be perceived as an unauthorized use of take-home vehicle.

#### **Issue**

- The "For Use by Department" section was not completed by Fleet Management on several of the Take-Home Vehicle Request Forms.

Fleet Management mentioned their staff could not identify the unit numbers of take-home vehicles; therefore, the "For Use by Department" section was not completed.

### **Recommendation**

- We recommend Fleet Management work with the CEO's Office to redesign the Take-Home Vehicle Request Form. Departments responsible for signing off on the request forms or completing a section of the form, should be outlined on the Request Form. Also, employees should be informed of tax liability as it relates to take-home vehicles. The following statement may be included on each form:

#### **Please note: Taxation of County Vehicles**

Personal use of a take-home vehicles are subjected to the Internal Revenue Service (IRS) tax liability guidelines. Positions that meet the Public Safety requirements of the IRS code are exempt. Refer to IRS Code 274 (d) for details.



#### **IV. Review Other Jurisdiction Policies**

Internal Audit inquired from other Metro-Atlanta jurisdictions their volume of take-home vehicles, policies, and procedures. Other jurisdictions have a Vehicle Policy or procedures for the maintenance, guidance, and use of their vehicles.

We obtained the following information from other jurisdictions:

- City of Atlanta reported a total of 234 take-home vehicles
- Fulton County reported a total of 139 approved take-home vehicles
- Gwinnet County authorized take-home vehicles for their Public Safety Department. There are 900 officers, Pursuit Officers & Sheriff Deputies, authorized and can potentially have take-home vehicles.
- Clayton & Cobb County currently do not track their total number of take home vehicles.



Cornelia Louis

Cc: Richard Stogner Chief Operating Officer/Executive Assistant  
Joel Gottlieb, Interim Finance Director  
Ted Rhinehart, Deputy Chief Operating Officer for Infrastructure

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