

**SUBMITTAL TO THE BOARD OF SUPERVISORS  
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

358



**FROM:** County Auditor-Controller

**SUBMITTAL DATE:**  
September 10, 2012

**SUBJECT:** Internal Audit Report 2012-302: County of Riverside Fire Department Fleet Services Administration, Follow-Up.

**RECOMMENDED MOTION:** Receive and file Internal Audit Report 2012-302: County of Riverside Fire Department Fleet Services Administration, Follow-Up.

**BACKGROUND:** We have completed the first Follow-up Audit of the County of Riverside Fire Department Fleet Services Administration. Our audit was limited to reviewing actions taken as of December 5, 2011, to correct the findings noted in our original audit report (2010-002) dated November 29, 2010. The original audit report contained 11 findings with 23 recommendations, all of which required corrective action and; therefore, were reviewed as part of this audit. For an in-depth understanding of the original audit, please refer to Internal Audit Report 2010-002 at [www.auditorcontroller.org](http://www.auditorcontroller.org).

(Continued on page 2)

*Paul Angulo*

Paul Angulo, CPA, MA-Mgmt.  
County Auditor-Controller

**FINANCIAL DATA**

Current F.Y. Total Cost:	\$ 0	In Current Year Budget:	N/A
Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	N/A
Annual Net County Cost:	\$ 0	For Fiscal Year:	N/A

**SOURCE OF FUNDS:** N/A

Positions To Be Deleted Per A-30	<input type="checkbox"/>
Requires 4/5 Vote	<input type="checkbox"/>

**C.E.O. RECOMMENDATION:**

APPROVE

BY: *Karen L. Johnson*  
Karen L. Johnson

County Executive Office Signature

**MINUTES OF THE BOARD OF SUPERVISORS**

On motion of Supervisor Stone, seconded by Supervisor Benoit and duly carried by unanimous vote, IT WAS ORDERED that the above matter is received and filed as recommended.

**Ayes:** Buster, Tavaglione, Stone, Benoit and Ashley  
**Nays:** None  
**Absent:** None  
**Date:** October 16, 2012  
**xc:** Auditor, Fire-Fleet Services

Kecia Harper-Ihem  
Clerk of the Board  
By: *Kecia Harper-Ihem*  
Deputy

2.5

ATTACHMENTS FILED WITH THE CLERK OF THE SUPERVISORS

Policy  Policy

Consent  Consent

Dep't Recomm.:  
Per Exec. Ofc.:

September 10, 2012

Page 2

**BACKROUNG continued:**

This follow-up audit found of the 23 recommendations; 6 recommendations were implemented, 3 recommendations were partially implemented and 14 recommendations were not implemented. We will conduct a desk review audit to determine if actions were taken to fully correct the 3 partially implemented and the 14 not implemented recommendations within 6 months.



# County of Riverside

## INTERNAL AUDIT REPORT

2012-302

### County of Riverside Fire Department Fleet Services Administration, Follow-up

September 10, 2012

Office of  
**Paul Angulo, CPA, MA-Mgmt.**  
County Auditor-Controller

4080 Lemon Street  
P.O. Box 1326  
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**ACC** | AUDITOR  
CONTROLLER  
COUNTY OF RIVERSIDE  
Paul Angulo, CPA  
Auditor-Controller

September 10, 2012

Chief John Hawkins  
Fire Department  
210 W San Jacinto Ave.  
Perris, CA 92570

**Subject:** Internal Audit Report 2012-302: County of Riverside Fire Department Fleet Services Administration, Follow-up

Dear Chief Hawkins:

We have completed a Follow-up Audit of Fire Department Fleet Services Administration. Our audit was limited to reviewing actions taken as of December 5, 2011, to correct the findings noted in our original audit report (2010-002) dated November 29, 2010.

We conducted our audit in accordance with the International Standards for the Professional Practice of Internal Auditing. These standards require that we plan and perform the audit to obtain reasonable assurance that our objective, as described in the preceding paragraph, is achieved. Additionally, the standards require that we conduct the audit to provide sufficient, reliable, and relevant evidence to achieve the audit objectives. We believe the audit provides a reasonable basis for our opinion.

The original audit report contained 11 findings with 23 recommendations, all of which required corrective action and; therefore, were reviewed as part of this audit. For an in-depth understanding of the original audit, please refer to Internal Audit Report 2010-002 at [www.auditorcontroller.org](http://www.auditorcontroller.org).

This follow-up audit found that of the 23 recommendations:

- 6 recommendations were implemented.
- 3 recommendations were partially implemented.
- 14 recommendations were not implemented.

Detailed statuses of the findings identified in the original audit are provided in the body of this report. We will follow-up on the 3 partially implemented recommendations and the 14 not implemented in our desk review audit of the Fire Department Fleet Services Administration within six months.

We appreciate the cooperation and assistance extended to us by staff of the Fire Department during this follow-up audit. Their assistance contributed significantly to the successful completion of the audit.

Paul Angulo, CPA, MA-Mgmt.  
Auditor-Controller

A handwritten signature in black ink that reads "Rachelle Román". The signature is written in a cursive style with a large initial "R".

By: Rachelle Román, MPA  
Chief Internal Auditor

cc: Board of Supervisors  
Executive Office  
Grand Jury

## **Controls over Vehicles**

### **Finding 1: Vehicle records contain considerable amount of errors and omissions.**

The results of the review of the vehicle data recorded in PeopleSoft were as follows:

- One fire truck was not recorded in PeopleSoft.
- At least 52 of 422 vehicles (12%) had invalid Vehicle Identification Numbers (VIN).
- A consistent standard is not followed in recording vehicle data. For example, asset tags (vehicle IDs) were recorded interchangeably as "00000" or "00-000," some data fields were left blank (e.g., tag number and model), and similar vehicles were described in different ways. This condition does not promote an orderly review, analysis, and reporting of data.

The results of the review of the vehicle database maintained by IT were as follows:

- Five vehicles were not in the IT database.
- At least 105 of 624 (17%) vehicles had invalid VINs.
- 120 of 624 (19%) vehicles had incorrect descriptions (examples: pickups described as fire trucks; and SUVs as sedans).
- 182 of 624 (29%) vehicles of differing makes and models were described simply as "1000".

RCFD's vehicle ID numbering convention used for county vehicles is also used for vehicles owned by contract cities and volunteer agencies. This makes identifying vehicle ownership more difficult. If the vehicle numbering convention was kept unique for each agency, the ownership of three fire engines and one pickup truck identified in the IT database as non-county-owned would have been easily detected as county-owned vehicles.

The integrity of the PeopleSoft and IT vehicle data bases is of concern considering the number and type of errors noted. These errors and omissions could impact operational efficiency and cost allocation. RCFD indicated that it has redesigned its existing Microsoft Access database to include additional data needed for vehicle usage monitoring. This newly redesigned database has not been implemented as of the date of this report and we have not reviewed its accuracy.

**Recommendation 1.1:** Collaborate with county fleet services to set up RCFD in county fleet services' fleet and fuel management systems (AssetWorks). This will provide RCFD the use of an already functioning industry-standard system platform to manage its vehicle database and fleet services functions.

**Current Status Recommendation 1.1: Not Implemented.**

Per the Fire Department's status response dated December 6, 2011, due to budget constraints, the department did not purchase the user licenses to AssetWorks fleet and fuel management systems. Instead, they purchased a more affordable fleet management software, FleetMate. They have been testing and customizing the software to implement in the mechanic shops as an alternative option to the recommendation in the original audit. After the completion of fieldwork, we were notified FleetMate went into production on August 15, 2012. We will verify the implementation during a desk review within six months.

**Recommendation 1.2:** Appoint a responsible officer to oversee the vehicle and equipment inventory and establish a complete and accurate vehicle database by performing a comprehensive physical inventory of vehicles and equipment. During the inventory, collect all pertinent data such as vehicle ID, license plate number, VIN or equipment serial number, vehicle make and model, vehicle type/class, odometer reading, vehicle ownership, person assigned to the vehicle, condition of the asset, etc. Correct the vehicle data in PeopleSoft's asset module as necessary.

**Current Status Recommendation 1.2: Partially Implemented.**

The Fire Department has modified the annual inventory certification sheet with additional fields, including odometer readings, vehicle ownership, and other pertinent data related to the vehicle. The department has not been able to recruit personnel to oversee the vehicle and equipment inventory in order to complete and establish an accurate vehicle database. However, they are currently working on an in-house database solution with the intent to maintain accuracy over the vehicle inventory. We will verify the implementation of the recommendation during a desk review within six months.

**Recommendation 1.3:** Utilize all available data fields in PeopleSoft and consistently use a standard method for recording vehicle data.

**Current Status Recommendation 1.3: Implemented.**

The Fire Department is utilizing all available identifying fields for the vehicle assets entered in the PeopleSoft Capital Asset Module and are consistently using a standard method for recording its vehicle data.

**Recommendation 1.4:** Use the county's vehicle ID numbering convention exclusively for county vehicles and use another numbering convention for vehicles owned by other agencies.

**Current Status Recommendation 1.4: Not implemented.**

The Fire Department continues to use the same numbering convention for city owned vehicles as it does for County-owned vehicles. This was evidenced upon review of the vehicle database maintained by the Fire Department of all vehicles managed by the County Fire Department. We will verify the implementation of the recommendation during a desk review within six months.

**Finding 2: Vehicle usage is not monitored.**

A process is not in place for monitoring vehicle usage as required by Board Policy D-2 (Use and Purchase of County Vehicles).

**Recommendation 2.1:** Develop procedures for monitoring vehicle usage in compliance with Board Policy D-2.

**Current Status Recommendation 2.1: Not implemented.**

As of May 3, 2012, the Fire Department has not developed a procedure to monitor vehicle usage. We will verify the implementation of the recommendation during a desk review within six months.



## Controls over Fuel

### **Finding 3: Fuel usage is not monitored.**

The current process does not include the tracking of fuel dispensed per vehicle. Fuel is obtained from two sources (RCFD's fueling sites as well as commercial fuel stations using Voyager cards) and combining the data is cumbersome without an automated process. Users log the vehicle's odometer reading when dispensing fuel; however, since fuel usage is not monitored, the accurate logging of odometer readings is not enforced.

Fuel dispensed from commercial gas stations, which is purchased with the use of RCFD's Voyager cards, is not accounted for in the county fuel system. This condition was the result of RCFD's Voyager account not being a part of the county Purchasing-administered Voyager fuel cards. Board Policy A-62 (Credit Card Use), effective April 14, 2008, prohibits the use of any credit card other than the fuel card administered by County Purchasing.

**Recommendation 3.1:** Retrofit RCFD's fuel dispensers with controllers and interface connections to the county fuel system. This will facilitate automating the authentication of users, input data validation, recording of fuel transactions, and monitoring. It will eliminate the maintenance of manual logs at the fueling sites. In addition, it will promote efficient and accurate allocation of fuel costs between the county, contract cities, and State. All other county-owned fueling sites (Fleet Services, Transportation, and Waste Management) are already connected to the county fuel system. With RCFD joining in, all county fueling dispensers will be integrated in one system providing the Director of Fleet Services the enhanced ability to monitor and report the county's vehicle utilization and fuel efficiency as required by Board Policy D-2 (Use and Purchase of County Vehicles).

#### Current Status Recommendation 3.1: Not implemented.

Per the Fire Department's status response dated December 6, 2011, budget constraints precluded the purchase of user licenses to AssetWorks fleet management system and modification of the fuel dispensers as recommended. We will verify the implementation of the recommendation during a desk review within six months.

**Recommendation 3.2:** Coordinate with County Purchasing to have RCFD's Voyager account linked to the County Purchasing-administered Voyager account and have RCFD's fuel card transactions transmitted and recorded in the county's fuel system.

#### Current Status Recommendation 3.2: Not implemented.

Per the Fire Department's status response dated December 6, 2011, the Fire Department has the intent to request an exception to Board Policy A-62 requirement of only using Voyager cards administered by County Purchasing. As of May 3, 2012, the department has not requested the exemption from the Board of Supervisors. We will verify an exception to Board Policy A-62 was granted during a desk review within six months.

**Recommendation 3.3:** Establish vehicle mileage and fuel efficiency standards. Monitor gallons used, miles used, and miles per gallon used and resolve deviations from the established standards.

Current Status Recommendation 3.3: Not Implemented.

Per the Fire Department's status response dated December 6, 2011, they are looking for possible alternatives to resolve this issue. We will verify the implementation of the recommendation during a desk review within six months.

**Finding 4: County fuel credit cards are assigned to non-county-owned vehicles and also to non-county employees.**

RCFD assigned 71 Voyager cards to vehicles owned by contract cities and more than 400 Voyager cards to vehicles used by State personnel. Board Policy A-62 (Credit Card Use) limits the use of fuel cards to county employees driving a county-owned vehicle. Also, the policy requires that any exception to the policy must be approved by the Board of Supervisors via the Form 11 process and the approval renewed annually. The assignment by RCFD of Voyager cards to non-county-owned vehicles and non-county employees has not been approved by the board.

**Recommendation 4.1:** Obtain approval from the Board of Supervisors for assigning Voyager cards to non-county-owned vehicles and non-county employees in compliance with Board Policy A-62.

Current Status Recommendation 4.1: Not Implemented.

Per the Fire Department's status response dated December 6, 2011, the Fire Department has the intent to request an exception to Board Policy A-62 requirement of only issuing Voyager cards to County employees. As of May 3, 2012, the department has not requested this from the Board of Supervisors. We will verify an exception to Board Policy A-62 was granted during a desk review within six months.

**Finding 5: Voyager system controls are not fully utilized.**

The Voyager system is able to report pattern discrepancies and product variances as well as limit transactions based on system parameters set by RCFD; however, these control features are not used. We noted from reviewing the Voyager reports that:

- Voyager card users did not always input accurate vehicle odometer readings at the gas stations. RCFD did not strictly enforce accurate odometer reading inputs.
- Voyager card users did not consistently dispense regular unleaded gas. A total of 13,216 gallons of premium or special unleaded gas were purchased during the period January 1, 2008, through March 31, 2010.

- There were 133 cards with charges for both diesel and unleaded gas on the same card. Although it was common for cards assigned to diesel-fueled fire trucks to have one or two gallons of unleaded gas charged to the card (gas is used in portable tools such as chains saws), there were 266 instances (on 53 of the 133 cards) where monthly card charges had 20 or more gallons each of diesel and unleaded fuel charged to the same card. These were not minimal charges which may be indicative that more than a few cards were used improperly. (The 53 cards do not include cards assigned to ambulances which typically use both diesel and gas.)
- Voyager cards were used to pay for car washes, oil change, and minor repairs. The Voyager card charges permitted by RCFD are the same as those of the state-controlled Voyager account which allows charging of other products and services (e.g., parts, oil change, and repairs) while the county-controlled Voyager account limits the card charges to fuel only.

**Recommendation 5.1:** Limit the use of Voyager cards to purchase of fuel only in line with county purchasing policy. Accordingly, set the Voyager system parameters to limit the card use for fuel only. Use the county P-Card for other purchases requiring the use of a credit card.

Current Status Recommendation 5.1: Not Implemented.

Per the Fire Department's status response dated December 6, 2011, it is not operationally feasible for the Department to discontinue the use of Voyager Cards for oil changes or car washes. The Department is seeking to obtain Board of Supervisors approval to continue the use of Voyager cards for oil changes and car washes. We will verify Board of Supervisors approval was granted during a desk review within six months.

**Recommendation 5.2:** Reinforce the need to input accurate odometer readings and other required vehicle data when fueling at the gas stations.

Current Status Recommendation 5.2: Not Implemented.

The Voyager account transaction records show odometer readings being entered for fuel transactions; however, inaccurate odometer readings continue to be a common occurrence as records indicate. For example, a vehicle odometer reading was noted at 1,126,996 miles; however, a week later the odometer reading was recorded as 112,780. Another instance identified a vehicle odometer reading at 11,569 miles; however, a month later the odometer reading was recorded at 113,401 miles. We will verify the implementation of the recommendation during a desk review within six months.

**Finding 6: RCFD does not use county fueling facilities for refueling.**

RCFD procured 45 percent of its fuel requirements from gas stations using Voyager cards costing it an estimated 12 percent or \$85,000 more per year. Board Policy A-62 (Credit Card Use) allows the use of a fuel credit card only when the employee is unable to obtain fuel from county-operated fueling facility.

**Recommendation 6:** Use the county and RCFD fueling facilities for refueling whenever possible in conformance with the guidelines set by Board Policy A-62.

Current Status Recommendation 6.1: Implemented.

The Fire Department has requested Riverside County Fleet Services to add State personnel to the County fueling system in an effort to increase the usage of County fueling sites. A transaction analysis of fuel expenses shows an increased usage of County fueling sites.

**Finding 7: Controls at the fire station fuel dispensers are not adequate.**

The following are the internal control deficiencies noted at the fuel dispensers:

- Fuel-users are not authenticated.
- When dispensing fuel, fuel users manually log the quantity of fuel dispensed and other required transaction details. However, there is no practical way to verify the accuracy of the logged data. The log is used for allocating and billing the dispensed fuel between RCFD and the State.
- Although fuel dispensers are padlocked, keys are issued to an indeterminate number of personnel; a record of personnel who have keys is not maintained. Additionally, the key is identical for all fuel pump padlocks and can be easily duplicated.
- A perpetual inventory record of stocked fuel is not maintained. Shortages may not be detected if they occur.

**Recommendation 7:** Implement the following interim steps to partly alleviate the weaknesses noted until a more permanent solution is in place:

- Require the fire station management to maintain the fuel log sheets and fuel inventory. Modify the monthly fuel log sheets to include the month's starting and ending fuel inventory balances. Fuel inventory should be taken at the end of each month by dipstick or other reliable means.
- Have RCFD's fiscal staff maintain a perpetual fuel inventory record for each fueling site. Update this record from vendor invoices for incoming deliveries and monthly log sheets for dispensed fuel. Reconcile the perpetual inventory month-end balance to the inventory taken at the end of the month. Establish a tolerable inventory variance limit and resolve any discrepancies exceeding the limit with the fire station management.

Current Status Recommendation 7.1: Partially Implemented.

The Fire Department is maintaining fuel usage logs at the fire stations. On the 10<sup>th</sup> of every month, fiscal personnel receive the logs from each station, record the usage and reconcile the book records to dip stick measurements. However, no tolerable amount has been solidly

established to resolve any variances above the tolerable amount. We will verify the full implementation of the recommendation during a desk review within six months.

**Finding 8: Payment procedures for bulk fuel purchases were not consistently followed.**

RCFD paid for bulk fuel delivered to state-owned fueling sites during the period July 1, 2007, through March 31, 2010, in the amount of \$461,735. This was not in line with RCFD's standard practice of having the State pay for fuel delivered to state-owned fueling stations. The procedure change occurred, according to RCFD's fiscal staff, during the time when the bulk vendors withheld processing purchase orders from the State. RCFD did not seek reimbursement from the State for these payments.

**Recommendation 8.1:** Account for fuel purchased and paid for by RCFD on the State's behalf and the portion used by county-owned vehicles from these purchases. Request reimbursement for the net amount due from the State.

**Current Status Recommendation 8.1: Implemented.**

The Fire Department performed a reconciliation of the fuel purchased and paid for by RCFD on the State's behalf to determine the reimbursable amount owed by the State. Upon detailed preparation by the County and review and agreement by the State, the State reimbursed the County in the form of a credit on future expenditures.

**Recommendation 8.2** In the future, record the fuel purchases made by RCFD on behalf of the State as advances and collect the full amount. The procedures for the accounting of actual fuel usage, as well as the required cross-billing between RCFD and State, should continue as established.

**Current Status Recommendation 8.2: Implemented.**

The Fire Department has discontinued the practice of purchasing fuel on the State's behalf. An analysis of fuel expenses over a period of 22 months ending April 30, 2012 did not identify fuel purchases for State owned fire stations.

## Controls over Repairs and Maintenance

### Finding 9: Controls over inventories of parts and supplies are not adequate.

- The Perris and Indio stockrooms are unmanned and open to all shop personnel. Inventory records are not maintained. The Perris stock room is used for housing parts and supplies owned by the county and State and the inventories owned by each are co-mingled. The same conditions are true with inventories maintained in repair trucks. Actual usage of parts are not tracked nor consistently listed on work orders. Since the actual parts used are not accounted for, county-owned parts used on repairing state-owned vehicles are not billed to the State.
- The auto mechanics and equipment managers purchase parts, but have not been authorized to be buyers by County Purchasing as required under County Purchasing Manual Section 3.

**Recommendation 9.1:** Assign a storeroom custodian each in Perris and Indio shops whose duties will include stocking, receiving, issuance of parts and supplies, and maintenance of stock records.

#### Current Status Recommendation 9.1: Not Implemented.

Per the Fire Department's status response dated December 6, 2011, they have not been able to hire a store room custodian for each of the mechanic shops due to budget constraints. We will verify the implementation of internal controls over the protection of assets during a desk review within six months.

**Recommendation 9.2:** Delegate the purchasing of parts and supplies to an RCFD buyer including the placing of phone orders and authorizing will-call pick-ups. Establish guidelines when auto mechanics may be able to purchase and pick up parts from the vendors such as during emergencies.

#### Current Status Recommendation 9.2: Implemented.

Per the Fire Department's status response dated December 6, 2011, "all purchases are being processed utilizing POs through our LVPA processors or department buyers. In addition, we are utilizing the County approved P-card program in both of our shops. The only purchases being completed by our Mechanics is with the County approved P-card program." The Fire Department hired an Administrative Analyst II, who will be responsible for creating the purchase orders for both mechanic shops. The Analyst is an authorized LVPO buyer per County standards and the department has established the use of P-cards as an alternative during emergency situations. P-cards were assigned to 14 mechanics with the approval from Central Purchasing.

**Recommendation 9.3:** Establish accounting procedures for receiving and issuing parts and supplies. All purchases should be received and issued by the storeroom custodian. When parts

or supplies are picked up by a mechanic from the vendor for emergency off-site use, the supporting papers should be provided to the storeroom custodian as soon as the mechanic returns to the shop. In this particular case, the storeroom custodian should record the receipt and issuance of the parts at the same time. The stock records should reflect the work order number, vehicle ID, and vehicle owner the parts are to be used for. The auto mechanics should list all parts and supplies used on every work order. When a work order is completed, the storeroom custodian should verify and initial the work order to ensure that all parts and supplies are recorded therein.

**Current Status Recommendation 9.3: Not Implemented.**

Per the Fire Department's status response dated December 6, 2011, they have not been able to hire a store room custodian for each of the mechanic shops due to budget constraints. We will verify the implementation of internal controls over the protection of assets during a desk review within six months.

**Recommendation 9.4:** Implement appropriate steps to: (a) prevent comingling of parts and supplies owned by the county and State, and (b) bill the State for county-owned parts and supplies used on state-owned vehicles.

**Current Status Recommendation 9.4: Not Implemented.**

The Fire Department continues to use the method of storage for vehicle parts as originally reported. In addition, the Department continues the practice of not billing the State for State owned vehicles. We will verify the implementation of the recommendation during a desk review within six months.

**Finding 10: Controls over vehicle repairs and maintenance are not adequate.**

- The Perris and Indio shops were under the supervision of one equipment manager. For approximately two years until September 2010 when a second manager was hired, the manager worked three days in Perris and two days in Indio. With 17-18 full time mechanics, the two shops were unable to handle all work orders and had to outsource more than a few repair jobs to third parties. We estimated RCFD paid an estimated \$1.5 million to \$1.8 million per year to third-party repair shops. The auto mechanics worked significant amount of overtime costing over \$200,000 per year (Table 5). There are no time standards for completing work orders and RCFD does not account for mechanics' time spent on servicing vehicles.

Table 5: Overtime Work by Auto Mechanics

Fiscal Year	Overtime Hours	Cost
2007/08	4,892	\$202,130.50
2008/09	5,429	\$217,766.16
2009/10	5,065	\$206,489.56

- RCFD does not have an efficient process for tracking periodic maintenance:
  - A 90-day periodic vehicle safety inspection of fire vehicles is required by the California vehicle code. Of 408 required 90-day safety inspections on 24 fire vehicles during a 51-month period, we noted 44 were not completed timely. Some were as late as nine months. Delayed inspections increase the county's liability exposures in the event a subject fire vehicle is involved in a serious accident.
  - One pickup which was under warranty had its engine replaced at a cost of over \$7,000. The dealer refused to cover the repairs because the vehicle was driven 43,800 miles without an oil change.
  
- RCFD does not have an effective repair authorization process. Of 67 vendor repairs randomly selected for testing, we noted:
  - Four retrofits costing over \$8,000 were made on four newer fire trucks which upper management subsequently found to be unjustified and unnecessary. The equipment manager who authorized the repairs was transferred out of RCFD after this incident.
  - One invoice for \$3,900 was for repairs on a truck the dealer refused to cover under the warranty. RCFD did not pursue the issue with the dealer any further.
  
- RCFD is not billing for the 107 (as of March 2010) state-owned vehicles that RCFD maintains. A rate has not been developed for recovering the labor costs related to servicing state-owned vehicles.
  
- Checks and balances are not in place as the equipment managers have an almost total control of the whole administrative process from authorizing repairs, purchasing of parts, maintaining inventories, to approving payments to vendors.

**Recommendation 10.1:** Develop a fleet services manual of procedures which should include, among others, the following:

- Tracking, scheduling, and notifying responsible managers of required periodic maintenance.
- Tracking of warranties (new vehicle, replacement parts and repair services).
- Process for authorizing repairs.
- Process for authorizing overtime for mechanics.
- Process for completing and tracking work orders, including services performed, parts used, and labor time spent on each work order.
- Process for approving completed work orders.



**Current Status Recommendation 10.1: Not Implemented.**

Per the Fire Department's status response dated December 6, 2011, a fleet services procedure manual has not been developed. We will verify the implementation of the recommendation during a desk review within six months.

**Recommendation 10.2:** Segregate purchasing and inventory maintenance from the equipment manager duties. Assign purchasing to the RCFD buyer and the inventory maintenance to the storeroom custodian.

**Current Status Recommendation 10.2: Not Implemented.**

Per the Fire Department's status response dated December 6, 2011, they have not been able to hire a store room custodian for each of the mechanic shops due to budget constraints. We will verify the implementation of internal controls over the separation of duties during a desk review within six months.

**Recommendation 10.3:** Develop a billing rate for recovering the labor cost related to servicing state-owned vehicles and bill the state accordingly.

**Current Status Recommendation 10.3: Partially Implemented.**

The Fire Department has developed a billing rate for recovering the labor cost for servicing state-owned vehicles; however, the Department continues to perform maintenance services without seeking reimbursement from the State. Two of the 20 staff members in the Department's mechanic shops are fully State funded and service all vehicles. With the recent implementation of the new FleetMate software, the Department will be able to track the hours serviced on State vehicles and bill accordingly. We will verify the full implementation of the recommendation during a desk review within six months.

**Finding 11: County fleet services is not utilized for repairs and maintenance.**

RCFD has about 240 light vehicles (SUVs, pickups, and sedans) that could be serviced by county fleet services. RCFD spent on average about \$280,000 per year (average based on period July 1, 2007, through June 30, 2009) on out-sourcing the maintenance of these vehicles. These are vehicles, which county fleet services is able to maintain.

**Recommendation 11:** Use county fleet services for maintaining light and medium-duty vehicles.

**Current Status Recommendation 11.1: Implemented.**

An analysis of vehicle expenses shows the Fire Department has increased the usage of County Fleet Services for the maintenance of their vehicles.