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# AUDIT REPORT

## VEHICLE INVENTORY

### (2018-2023)



*MAY 2023*



OFFICE OF THE  
DUTCHESS COUNTY COMPTROLLER

*ROBIN L. LOIS, COMPTROLLER*

**Office of the Comptroller  
Dutchess County**

**22 MARKET STREET  
POUGHKEEPSIE, N.Y. 12601**

**(845) 486-2050**

**FAX (845) 486-2055**

**E-MAIL: [comptroller@dutchessny.gov](mailto:comptroller@dutchessny.gov)**

**Robin L. Lois  
Comptroller**

**Brian D. Kelly  
Deputy Comptroller**

Dear County Officials and Taxpayers,

The Dutchess County Comptroller's Office has completed an audit of the Dutchess County Vehicle Inventory for the period 2018-2023. This audit was a huge undertaking, as our office physically counted over 500 vehicles across the County in various departments. A physical count of this type has not taken place in over a decade.

The main objective of this audit was to determine if the County's centralized inventory system accurately reflected verified assets and matched the County's financial reports. We sought to (1) Verify the existence of the assets, (2) Analyze the acquisition and disposal process of the assets, and (3) Ensure compliance with asset policies and procedures. We also reviewed records for proper insurance coverage and vehicle usage policy compliance.

Our audit found that the Vehicle Policy is outdated and therefore does not promote consistency and accuracy of assets. Asset tags were missing on some vehicles. Procedures for acquiring, tracking, and disposing of leased vehicles is not consistent throughout departments, and there is no policy in place to determine lease versus purchase decisions, including approval and oversight. Returned or disposed of vehicles remained insured and ten vehicles disposed of were not entered timely in the centralized inventory system, resulting in an overstatement.

We recommend that an updated Vehicle Policy be executed and enforced to encourage consistency and properly safeguard County assets. Other recommendations include proper tagging of assets, documenting policies for the leasing of assets, and strengthening disposal processes to ensure assets are removed from the financial system, as well as the insured asset list is timely.

Many of the findings and recommendations have already been addressed by the respective departments as of the publishing of this report.

This report also addresses the 2021 lease of a \$75,876 Chevy Tahoe by the County Executive and identifies the execution of said lease, after a 2020 purchase denial, as giving the appearance of circumventing normal legislative approval (as required by a *purchase*) and public transparency. Leasing decisions should be held to the same standards as any purchase in the procurement policy by, "assuring the prudent and economical use of public monies in the best interest of taxpayers of Dutchess County," and to, "guard against extravagance." It is evident that the lease in question was not held to the same standard expected of all departments.

I'd like to thank the diligent auditors in the Comptroller's Office, as well as the Auto Center and various departments for their assistance in completing this review over the past several months.

Respectfully submitted,



Robin L. Lois  
Dutchess County Comptroller

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## Background & Oversight

Dutchess County owns and operates a wide range of vehicles including passenger cars, utility trucks, marked and unmarked law enforcement vehicles, prisoner transport vans, motorcycles, and other special-use vehicles to be used for official County business.

The **Automotive Service Center (ASC)**, overseen by the Department of Public Works, is responsible for acquiring vehicles, handling their use and assignment, providing maintenance and repair, and disposing of excess vehicles.

Dutchess County's centralized inventory system is maintained by the **Office of Central Services**. Departments notify Central Service's Assistant Purchasing Agent Unit with a receiving report when vehicles are purchased and a transfer/disposition report when vehicles are disposed of. Central Services is then responsible for ensuring that this information is properly entered into the centralized inventory system via LOGOS (the County's financial management system).

The **Department of Risk Management** works with the Auto Service Center to maintain insurance for the County vehicles and handle any insurance claims. Their oversight includes ensuring all County drivers have a valid license and have taken the necessary defensive driving courses.

The **Finance Department** is responsible for ensuring the County assets are accurately reported on the financial statements and that take home vehicles are properly reported as taxable income for the employee's personal use portion.

The **County Executive's Office** and the **Human Resource Department** are responsible for ensuring proper policies and procedures are in place to guide departments and protect these assets.

The value of County-owned vehicles that were audited as of December 31, 2021, was **\$42,880,934** which included 526 vehicles.

## Audit Objectives, Criteria, Scope, & Methodology

To determine if the Dutchess County Automotive Service Center (ASC) has established adequate controls to effectively monitor and ensure accountability over its vehicle asset inventory and usage.

### Objectives:

- Does Dutchess County's centralized inventory system accurately match the County's financial records?
- Do the physical vehicles exist and are their locations/departments accurate?
- Are policies and procedures in place and consistently applied across departments?
- Are vehicles in use by Dutchess County properly insured?
- Do newly purchased/leased vehicles have proper approval for acquisition?

### Criteria:

- Dutchess County Administrative Code
- Departmental Vehicle Usage and Maintenance Policy
- Legislative Resolutions approving purchases of vehicles via bonds
- Dutchess County Inventory Control Policy
- Dutchess County Central Service Asset Management Policy
- Dutchess County Procurement Policies and Procedures
- Automotive Service Center Policy

## Scope/Methodology:

A review of all active county vehicles has been completed. The Comptroller's Office has compared the asset listing in the County's LOGOS financial system to the County's independent auditor's report for calendar year 2021. A reconciliation of all assets listed in the financial system to the vehicle inventory listing kept by the auto center, and subsequent departments, has been completed.

A physical inventory was conducted on all County vehicles from October 19, 2022, through March 13, 2023, at which time a total of 520 vehicles were observed. Trailers and other non-vehicle equipment were not included in this count. In addition, due to timing, acquisitions and dispositions may have occurred after physical inventory was conducted. The Comptroller's Office completed a physical inventory check of all active vehicles to verify the existence of the vehicle as well as the accuracy of the vehicle's asset number, vehicle identification number (VIN), and license plate.

A review of the County's policy on insuring vehicles was conducted. A listing of all vehicles insured as of December 2022 was compared to the current vehicle listings provided by the Auto Service Center and subsequent documentation to verify that all vehicles are insured.

Newly acquired assets from 2018-2021 were reviewed to confirm they were charged to the correct bond resolutions. Bond resolutions were compared to asset transaction reports from the County's financial management system to determine if vehicle purchases were charged to the correct bond. Equipment not classified as vehicles were not tested. Detail of vehicles purchased by department from 2018-2021 is shown in **Exhibit I**.

The policy for disposal of vehicles has been reviewed and analyzed. Vehicles sold at auction were traced to revenue accounts and compared to the list of vehicles disposed of provided by the Auto Service Center. **Exhibit II** includes detail on revenue from vehicles sold at auction during the years 2020 & 2021.

A review of County vehicle usage requirements was conducted. Per the Vehicle Usage and Maintenance Policy, employees that use a County vehicle are required to have a valid license and are required to take a defensive driving course.

Review of leased vehicles policy and procedures has been completed as well as a review of all County leased vehicles.



## Summary Findings & Recommendations

### Summary Findings:

- There is no current Vehicle Policy available and enforceable to help protect County assets and guide County employees. The last policy on record was dated 2010.
- Not all vehicles are tagged with their identifying numbers.
  - All Dutchess County vehicles are to be identified by an equipment number assigned by the Auto Service Center and an asset number assigned by Central Services. Those that were tagged with their identifying numbers were not tagged in consistent locations.
- There is no written policy and procedure for vehicle/equipment lease versus purchase decisions including the approval and oversight process.
- Procedures for acquiring, tracking, and disposing of leased vehicles is not consistent throughout departments.
- Returned leased vehicles remained on the master vehicle list which resulted in them being unnecessarily insured.
- Addresses of after-hours take home vehicles were not readily available.
- Ten vehicles were disposed of (2019-2021) but not entered as disposed into the County's centralized inventory system resulting in an overstatement of **\$546,674**.

### Summary Recommendations:

- A Vehicle Policy should be executed and accessible to all departments via the County's Intranet website to promote adherence, consistency, and enforcement.
- Each vehicle's identifying County numbers should be tagged on all County vehicles in the same location throughout departments to ensure consistency.
- Analysis should be done to confirm the cost efficiency or other advantage to leasing a vehicle. Policies should be written to include the departments and positions responsible for the decision to lease a vehicle and the steps and analysis necessary to substantiate the decision to lease.
- A County-wide policy should be adopted for the tracking of leased assets to ensure proper recording and promote consistency.
- The asset master list must be updated timely to ensure returned leased vehicles are not insured unnecessarily.
- To safeguard assets a record of the location of all county vehicles when not in use should be kept and maintained by each department.
- Assets that are disposed of should be entered timely to ensure inventory is not overstated.

Our Office conducted a physical vehicle inventory of the below vehicles listed by department and observed between October 19, 2022, through March 13, 2023.

Department	Number of Vehicles Observed (Including Leased Vehicles)*	Asset Value**
Airport	10	\$2,076,533.95
Auto Center	14	\$353,954.21
Central Services	5	\$127,344.46
Clerk	1	\$21,821.00
County Executive	3	\$-
District Attorney	5	\$88,546.07
District Attorney - DTF	12	\$134,239.30
Dept of Community & Family Services	50	\$1,072,993.32
DPW - Buildings	21	\$706,256.83
DPW - Engineering	8	\$188,639.11
DPW-Highway	88	\$11,853,306.13
DPW Parks	15	\$584,504.95
DPW-Public Transit	61	\$16,114,096.69
Emergency Response	15	\$1,097,641.38
Health	4	\$66,276.25
Health MEO	1	\$28,925.72
Health Weights & Measures	3	\$71,664.59
Human Resources	1	\$22,223.60
Mental Health	5	\$120,768.99
OCIS	4	\$97,891.23
OFA	12	\$404,942.10
OFA NYConnects	8	\$152,200.75
Public Defender	5	\$113,502.34
Planning	3	\$65,373.35
Probation	10	\$282,561.96
Sheriff's Office	141	\$5,004,306.67
Sheriff's Office Jail	15	\$566,998.23
<b>Total</b>	<b>520</b>	<b>\$41,417,513.18</b>

\*Only vehicles were counted; trailers and other non-vehicle equipment were not included. Count may have occurred prior to purchase of new vehicles and disposal of old vehicles.

\*\*Values of leased vehicles are not included. See separate chart below.

Leased County Vehicles						
Year	Description	Department	Lessor	Value	Monthly Amount	Budget
2020	Jeep	District Attorney	Dutchess Dodge	\$37,935.00	\$427.88	DA Asset Forfeiture
2021	Chevrolet Tahoe	County Executive	GM Financial	\$75,876.10	\$1,347.10	Auto Service Center
2022	Chevrolet Equinox	County Executive	Hoselton Leasing	\$22,578.53	\$358.00	Auto Service Center
2022	Chevrolet Equinox	County Executive	Hoselton Leasing	\$22,578.53	\$358.00	Auto Service Center
2022	Chevrolet Equinox	Health	Hoselton Leasing	\$22,578.53	\$358.00	Auto Service Center
2022	Chevrolet Equinox	Auto Service Center	Hoselton Leasing	\$22,578.53	\$358.00	Auto Service Center
2022	Chevrolet Equinox	Auto Service Center	Hoselton Leasing	\$22,578.53	\$358.00	Auto Service Center

### District Attorney's Lease

The District Attorney requested and received Legislative approval to use asset forfeiture funds to lease his 2020 Jeep Cherokee with Resolution [#2020011](#) in January 2020. This replacement vehicle was justified to be “used to enhance prosecutorial and law enforcement efforts” in the Resolution. The 39-month lease was paid in the lump sum of **\$16,687.32**. The lease has been extended an additional six months until 11/2/2023 in the amount of **\$427.88** per month (**\$2,567.28** total).

### County Executive's Lease

The County Executive's vehicle has most recently been purchased through bonding and budget requests that go through the Legislature for approval. This changed in 2021 when the DPW Commissioner entered into a 48-month lease in February on behalf of the County Executive for the 2021 Chevy Tahoe. This was after a purchase order was denied by the Dutchess County Comptroller's Office in March of 2020 for the purchase of a **\$65,500** 2020 Chevy Tahoe using a legislatively approved replacement vehicle bond which did **not** include this vehicle or department. A secondary cause of denial by this office was that the 2020 request was to replace a 2018 vehicle which had not reached the end of its useful life and therefore presented as an unnecessary replacement. The third cause for denial was the vehicle purchase order included law enforcement equipment which is inappropriate in a non-law enforcement vehicle.

This lease did not replace a vehicle being disposed of, which is customary in Dutchess County fleet management, as the 2018 Tahoe is still in service and assigned to Emergency Response.

These lease payments are being charged to the Auto Center budget line A1640.4570.63 “long term equipment lease” and was funded in the 2021 budget. This budget line doubled from **\$24,100** in the 2020 budget to **\$48,330** in the 2021 budget.



### Observations:

- The shift from the denied 2020 vehicle purchase request to the 2021 lease arrangement has the appearance of circumventing the normal purchasing process that would require legislative approval and, therefore, public transparency. While a vehicle purchase also requires Central Services procurement approval and the Comptroller's Office approval for purchase orders and invoice payments, a lease does not.
- There is no written policy and procedure for vehicle lease versus purchase decisions. Currently the department requesting the lease and the DPW Fleet Administrator work in conjunction to determine if there is a reasonable advantage to leasing a vehicle as opposed to purchasing the vehicle.
- The vehicle lease is charged to the Auto Center budget while 100% of the vehicle's usage is by the County Executive. This budgetary practice does not promote transparency nor reflect the true expense of the department.

### Recommendations:

- Leasing decisions should be held to the same standards as a purchase is in the Procurement Policies and Procedures by "assuring the prudent and economical use of public monies in the best interest of the taxpayers of Dutchess County, to facilitate the acquisition of goods and services of maximum quality at the lowest possible cost under the circumstances, and to guard against favoritism, improvidence, extravagance, fraud and corruption." The County Executive lease decision was not held to this standard in the opinion of this office.
- In the spirit of transparency and accountability we recommend expenses that are 100% attributable to a specific department be budgeted and expensed in said department. This would include the County Executive's vehicle lease being included in their budget and any other vehicles or vehicle related expenses being captured in the appropriate department budget. This would help ensure accountability for actual departmental expenses and transparency for the taxpayers to see actual spending.

Elected Official's Vehicles							
Year	Description	Department	Lessor	Purchase	Value	Monthly Amount	Budget
2020	Jeep	District Attorney	Dutchess Dodge	N/A	\$37,935.00	\$427.88	DA Asset Forfeiture
2021	Chevrolet Tahoe	County Executive	GM Financial	N/A	\$75,876.10	\$1,347.10	Auto Service Center
2019	Chevrolet Tahoe	Sheriff	N/A	Resolution/Bond	\$56,193.00	N/A	Auto Center Bond
	NONE	County Clerk					
	NONE	County Comptroller					
	NONE	County Legislature					

## Detailed Findings, Recommendations, and Observations by Department

The following departments had department-specific discrepancies to note.

### Central Services

Central Service's Assistant Purchasing Agent Unit is responsible for maintaining the asset inventory in the County's centralized inventory system. A receiving report should be completed and provided to the Central Services department to ensure an asset number is assigned to each vehicle, and to ensure that they are included in the County's inventory system. Departments are responsible for providing a transfer/disposition request to Central Services when a vehicle is disposed of.

► **Finding 1:** Ten vehicles were disposed of between 2019 and 2021 that were not entered into the County's centralized inventory system before the end of 2021.

Three of the ten vehicles were sold at auction in 2021. Transfer/disposition forms were completed for the remainder of the vehicles, six of these forms were completed in June of 2021 and one of these forms was not dated by the department. All these dispositions were not entered into the centralized inventory system until July of 2022.

This resulted in a difference between the County's centralized inventory system and the County's general ledger (G/L) for the year 2021 in the amount of **\$546,673.56**.

Detail of these transactions are as follows:

G/L Date	Transaction Date	Asset #	Value	Description
12/31/2022	10/16/2019	49672	\$43,674.00	1998 International truck G-13
12/31/2022	6/15/2019	54828	\$39,060.00	Marked patrol Tahoe #5935
12/31/2022	1/1/2020	54092	\$59,462.25	Bucket truck
12/31/2022	9/22/2020	54817	\$31,900.50	2013 Ford Interceptor
12/31/2022	12/7/2020	54813	\$31,900.50	2013 Ford Interceptor
12/31/2022	9/5/2021	55293	\$33,200.75	Ford Explorer
12/31/2022	10/18/2021	54652	\$52,327.25	16 Passenger Starcraft Bus
12/31/2022	10/18/2021	52701	\$148,371.24	Truck Dump Sandplover
12/31/2022	10/18/2021	46852	\$68,015.00	International Truck Crewcab
12/31/2022	12/31/2021	56011	\$38,762.07	Dodge Durango
<b>Total</b>			<b>\$546,673.56</b>	

**Recommendation 1:** Assets that are disposed of should be entered into the centralized inventory system timely to ensure inventory is not overstated.

Up to date inventory records are essential to safeguarding assets. Timely information should be acquired and entered by Central Services to ensure an effective inventory system is maintained. Departments are to provide transfer/disposition forms when items are no longer in their possession. List of items sold at auction should be provided to Central Services prior to year-end so that all vehicles sold at auction can be removed from the centralized inventory system timely.

**Note:** At the time of this audit, the Finance Department made the appropriate journal entries to resolve the difference of **\$546,673.56** and correct the balance in the 2022 general ledger.

► **Finding 2:** Two vehicles that were auctioned in 2022 have not been removed from the County inventory system as of the writing of this report, resulting in the inclusion of their value and depreciation on County financial records. This does not affect net capital assets as these assets are fully depreciated but gives the appearance that these assets are still active.

Vehicles Sold at 2022 Auction Still Included in Inventory				
Asset #	Value	Depreciation	Year	Description
52823	\$179,977.00	\$179,977.00	2000	Oshkosh Dump Truck
52822	\$179,977.00	\$179,977.00	2000	Oshkosh Dump Truck
<b>Total</b>	<b>\$359,954.00</b>	<b>\$359,954.00</b>		

**Recommendation 2:** Assets that have been disposed of should be removed from the County's inventory system timely.

► **Finding 3:** New vehicles are not entered into the centralized inventory system and assigned an asset number timely.

Untimely tagging of new vehicles has resulted in the need for lump sum entry of newly acquired assets. When newly acquired assets are not recorded in LOGOs timely, they are added as a lump sum until proper tagging procedures are completed.

Several vehicles purchased in 2020 were added under the same asset number in LOGOS to ensure that their values were included on the financial statements. A Jeep Cherokee, asset #56001 that is included in that group of assets was declared a total loss as of 7/8/21. This asset has not been disposed of in the centralized inventory system causing an overstatement of **\$30,336.58**.

**Recommendation 3:** Assets that have been acquired should be entered into LOGOS timely to ensure correct inventory and depreciation balances.

► **Finding 4:** There is no policy or procedure for entering loaned or leased vehicles into the inventory system.

A Zodiac boat, asset #54849 was loaned from the Hudson River Law Enforcement Task Force and was entered into the County's inventory system resulting in a difference between County financial records and County inventory system.

A Mine Resistant Ambush Protected Vehicle, asset #55233, was entered in LOGOS for tracking purposes only. This vehicle is on loan from the Defense Logistics Agency per the disclaimer stating they can request the immediate return of this vehicle.

**Recommendation 4:** There should be a County-wide policy for the tracking of leased and loaned vehicles to promote consistency. The tracking of loaned and leased vehicles should be maintained separately from the County's vehicle inventory.

► **Finding 5:** A vehicle was not recorded on the general ledger causing an understatement of **\$25,000**.

A 1992 Freightliner Fire Truck, asset #55745, was entered into the County's inventory system incorrectly causing this vehicle to not be recorded on the County's general ledger. This vehicle (with a value of **\$25,000**) was donated from the East Fishkill Fire Department in January 2019.

**Recommendation 5:** Donated vehicles should be included on the County's financial records.

## Department of Public Works

Vehicle purchases are approved via resolutions. These resolutions are prepared by the Commissioner of Public Works and include a list of the vehicles the funding is meant to replace. Bond resolutions were traced to vehicle purchases to confirm the vehicles were charged to the correct resolution. During our review we noted that in most cases the vehicle listed on the bond resolution is not the vehicle being replaced. This is a result of a different vehicle needing urgent replacement.

► **Finding 1:** Two instances were discovered where one vehicle that required replacement was replaced by two vehicles.

When vehicles are being replaced a Replacement Vehicle Assignment Form is completed to identify the new vehicle being placed in service and the vehicle being taken out of service. This form is completed by the Auto Service Center and approved by the Commissioner of Public Works. In each of the instances in the chart below, the vehicle needing replacement was listed on two Replacement Vehicle Assignment Forms. This resulted in two vehicles purchased for the replacement of one vehicle.

Vehicles with Duplicate Replacement Vehicles						
Department	Vehicle Replaced Description	Actual Vehicle Replaced Equipment #	Resolution	New Vehicle Description	New Vehicle	Amount
DCFS	2003 Chevy Malibu	4668	2017066	2018 Ford Fusion	6158	\$22,967.00
DPW - Buildings	2003 Chevy Malibu	4668	2018128	2019 Ford F-250	6238	\$39,420.00
Sheriff	2014 Ford Interceptor	6008	2017066	2018 Ford Explorer	6206	\$35,195.00
Sheriff	2014 Ford Interceptor	6008	2018128	2019 Chevrolet Tahoe	6245	\$41,201.00

**Recommendation 1:** Vehicle replacements should be tracked to verify that a vehicle is only used on one bond resolution to acquire one new vehicle.

**Note:** During this audit the correction has been made by DPW for the actual vehicle used for replacement to ensure only one vehicle is acquired for the (1) vehicle that needs replacing. An Updated Replacement Vehicle Assignment Form has been completed and documentation of this change has been uploaded in the County's LOGOS system to indicate the change was made. In addition, the tracking system of replaced vehicles has been updated to track the vehicles turned in for newly acquired vehicles.

► **Finding 2:** Of the newly acquired vehicles reviewed there were three instances where the Replacement Vehicle Assignment Form was superseded by another form that was not uploaded to the County's LOGOS system.

During our review it was discovered the Replacement Vehicle Assignment Form uploaded into the County's centralized inventory system is not always the most current. This is often a result of a different vehicle needing to be replaced more urgently than the vehicle listed on the original Replacement Vehicle Assignment Form.

**Recommendation 2:** Documentation of any changes to the Replacement Vehicle Assignment Form should be uploaded into the County's LOGOS financial system.

**Note:** During this review updated forms for the above three instances have been uploaded to the County's LOGOS financial system by the Auto Service Center.

## Auto Service Center

► **Finding 1:** Equipment numbers assigned by the Auto Service Center were not always in the same location on the vehicles and in some cases the vehicle was not tagged at all.

**Recommendation 1:** Every vehicle should be tagged with the County's identifying equipment number. To promote consistency, the placement of the equipment number should be the same on all County vehicles. If the vehicle is missing an equipment number, the department should notify the Auto Service Center to be sure all assets are tagged.

► **Finding 2:** Nine vehicles, detailed below, that were no longer in service were included on the master vehicle list provided by the Auto Service Center.

Equipment #	Description	Department
R-1	Chevrolet Utility Truck	DPW-Highway
104	Orion Bus, Coach, Hybrid, 40'	DPW-Public Transit
283	Gillig Bus, Hybrid, Low-Floor, 40'	DPW-Public Transit
284	Gillig Bus, Hybrid, Low-Floor, 35'	DPW-Public Transit
285	Gillig Bus, Hybrid, Low-Floor, 35'	DPW-Public Transit
286	Gillig Bus, Hybrid, Low-Floor, 35'	DPW-Public Transit
287	Gillig Bus, Hybrid, Low-Floor, 40'	DPW-Public Transit
429	Green Machine Street Sweeper	DPW-Public Transit
ENF 4	Boston Whaler Boat	Sheriff's Office

**Recommendation 2:** Inventory lists should be kept up to date across departments to ensure accurate records. During this audit, the Auto Service Center updated their list to reflect this change. The Comptroller's Office brought this to the attention of the Auto Service Center and these vehicles have been removed.

## **District Attorney Drug Task Force (DTF)**

► **Finding:** The value of seven vehicles were not included in the asset management system and therefore the County's asset total is understated by **\$49,633**.

**Recommendation:** Any vehicle belonging to the County should be included in the County's inventory to prevent financial statement understatement. Due to the sensitive nature of the identity of these vehicles, an anonymous addition to the asset management system is recommended.

**Note:** The Auto Center, Drug Task Force, District Attorney, Finance, and the Comptroller's Office have discussed and agreed to work on a process to include these vehicles in the inventory beginning year end 2023.

## **Finance**

► **Finding:** A difference of **\$157,711.24** was discovered between the vehicles included in the general ledger and the vehicles included in the County's centralized inventory system.

Five vehicles detailed below were discovered to have been incorrectly included in a prior year journal entry.

Asset Description	Asset #	Amount
2018 Ford Fusion SE AWD #6150	55576	\$23,122.72
Dump Truck P-19	52712	\$29,062.00
2014 Ford Interceptor	54961	\$33,920.02
2013 Ford Explorer Auto # 5910	54795	\$35,803.25
2013 Ford Explorer # 5906	54791	\$35,803.25
<b>Total</b>		<b>\$157,711.24</b>

**Recommendation:** During the annual reconciliation of assets, prior period errors should be addressed. At the time of this audit, a correcting journal entry was being made by Finance to reconcile inventory and the general ledger.

**Note:** A correcting journal entry was done in 2022. Going forward, all equipment in the module will be reconciled to the ledger once the yearly recording of assets is completed.

## **Public Transit**

A physical inventory of 61 vehicles assigned to the Department of Public Transit was taken during this audit. Three vehicles were at outside vendors for parts and repairs. The vehicle's VIN, license plate, and bus number were verified for vehicles out for repair on towing vendor invoices.

► **Finding:** Seven leased vehicles that were no longer in service were still being included on the master vehicle list and the list of vehicles insured.

The list provided by the Auto Service Center included six buses and one street sweeper that the County leased from the City of Poughkeepsie. At the time of this audit, these vehicles had already been returned to the City of Poughkeepsie.

**Recommendation:** County-wide policy should include a procedure for the tracking of leased vehicles. The Auto Service Center and Risk Management should be notified when leased vehicles are returned to ensure the prompt canceling of insurance.



## Sheriff's Office

- **Finding 1:** Six vehicles had a different license plate number than was on file at the Auto Service Center.

**Recommendation 1:** The Auto Service Center should be notified when the license plate number on a vehicle is changed to ensure that records are accurate and consistent throughout departments.

- **Finding 2:** A leased boat that was no longer in service was included on the County's master vehicle list and the list of insured vehicles.

A Boston Whaler identified as "Enforcer 4" was on the list of vehicles provided by the Auto Service Center. Upon review, the boat, Enforcer 4 was leased from the New York State Office of Parks via an intergovernmental agreement and was transferred back to the NYS Parks Department in July of 2021. Since it was a leased vehicle, it did not go through normal asset assigning procedures. This boat was listed as active on the list of insured vehicles as of December 2022 provided by Risk Management.

**Recommendation 2:** There should be additional policies and procedures in place for vehicles that are leased. Consistent records should be kept throughout departments of when leased vehicles are returned to ensure inactive vehicles are not included on the list of in-service vehicles.

- **Finding 3:** The location of 24-hour vehicles were not tracked on departmental assignment sheets.

**Recommendation 3:** Departmental assignment sheets should include the location of take-home vehicles assigned to off-duty officers.

- **Finding 4:** There is no written policy for the use of take-home vehicles.

**Recommendation 4:** A departmental vehicle usage policy should be written outlining expectations and utilization requirements of take-home vehicles.

## Risk Management

- **Finding 1:** The following three vehicles were disposed of prior to 12/31/2022 and were included on the list of vehicles insured as of 12/31/2022.

Equipment #	Year	Description	Department	Notes
6077	2004	Jeep Grand Cherokee	DPW-Engineering	Sold at 2021 Auction
R-1	1993	Chevrolet Utility Truck	DPW-Highway	Sold at 2018 Auction
104	2010	Orion Bus, Coach, Hybrid, 40'	DPW-Public Transit	Sold at 2022 Auction

**Recommendation 1:** The three vehicles mentioned above should be removed from the list of insured vehicles kept by Risk Management. Lists of auctioned vehicles should be reviewed annually to ensure they are removed from the list of vehicles insured.

► **Finding 2:** Seven vehicles, listed below, were returned to their lessor prior to 12/31/2022 but were included on the list of vehicles insured as of 12/31/2022.

Equipment #	Year	Description	Department
283	2008	Gillig Bus, Hybrid, Low-Floor, 40'	DPW-Public Transit
284	2008	Gillig Bus, Hybrid, Low-Floor, 35'	DPW-Public Transit
285	2008	Gillig Bus, Hybrid, Low-Floor, 35'	DPW-Public Transit
286	2008	Gillig Bus, Hybrid, Low-Floor, 35'	DPW-Public Transit
287	2011	Gillig Bus, Hybrid, Low-Floor, 40'	DPW-Public Transit
429	2010	Green Machine Street Sweeper	DPW-Public Transit
ENF 4	2012	Boston Whaler Boat	Sheriff's Office

**Recommendation 2:** Policies and procedures for the acquisitions and dispositions of leased vehicles should be adopted and implemented to ensure inactive vehicles are removed from the list of vehicles insured.

► **Finding 3:** Employees that were required to take a defensive driving course prior to operating a county vehicle had not.

Thirteen of the thirty employees tested were not on the list of employees who had taken a defensive driving course in the last 3 years.

**Recommendation 3:** A system of verification and compliance should be put in place to ensure adherence to the vehicle usage policy requiring a defensive driving course be taken and recorded on file. The Vehicle Usage and Maintenance Policy should be available to all departments to ensure consistent application of policies.

► **Finding 4:** A non-County employee operated a County vehicle without a record of having taken a defensive driving course. In certain instances, non-County employees are authorized to use County vehicles. This process is approved via travel order. In the sample of drivers of County vehicles there was one non-County employee. This vehicle operator was not included on the lists of those that had completed a defensive driving training course between 2020 and 2022.

**Recommendation 4:** All non-County employees that operate County vehicles must complete a defensive driving course approved by the Director of Risk Management. Department heads must ensure that these drivers take the defensive driving course offered through the County or submit an outside certificate that would be stored in Neo.gov, the County's training module.

## Exhibit I

Department Name	Vehicle Acquisitions				Grand Totals
	2018	2019	2020	2021	
Airport	\$40,311.75	\$152,451.99	\$62,296.00	\$872,500.00	\$1,127,559.74
Central Services	\$-	\$27,499.73	\$-	\$-	\$27,499.73
County Clerk	\$-	\$-	\$-	\$-	\$-
DCFS	\$-	\$102,638.65	\$421,643.39	\$-	\$524,282.04
District Attorney	\$23,122.72	\$-	\$-	\$-	\$23,122.72
DPW - Auto Center	\$-	\$64,991.40	\$38,762.07	\$-	\$103,753.47
DPW - Buildings	\$-	\$235,015.00	\$-	\$37,719.82	\$272,734.82
DPW - Engineering	\$-	\$-	\$-	\$-	\$-
DPW - Highway	\$1,103,160.84	\$222,652.33	\$1,261,685.83	\$-	\$2,587,499.00
Emergency Response	\$233,613.60	\$54,226.65	\$46,347.15	\$-	\$334,187.40
Health MEO	\$-	\$-	\$-	\$-	\$-
Health W & M	\$-	\$22,213.59	\$-	\$-	\$22,213.59
Human Resources	\$-	\$-	\$-	\$-	\$-
Mental Health	\$-	\$47,784.99	\$-	\$-	\$47,784.99
OCIS	\$-	\$80,789.23	\$-	\$-	\$80,789.23
OFA	\$-	\$22,213.59	\$29,576.00	\$70,265.28	\$122,054.87
OFA NYC	\$-	\$-	\$48,994.00	\$-	\$48,994.00
Parks	\$-	\$52,326.00	\$112,868.49	\$-	\$165,194.49
Planning	\$-	\$25,571.40	\$-	\$-	\$25,571.40
Probation	\$57,104.00	\$-	\$-	\$-	\$57,104.00
Public Defender	\$-	\$-	\$-	\$-	\$-
Public Transit	\$-	\$50,010.62	\$-	\$1,223,444.79	\$1,273,455.41
Sheriff	\$401,896.37	\$428,362.04	\$941,836.31	\$452,723.11	\$2,224,817.83
Sheriff - Jail	\$-	\$94,975.30	\$-	\$-	\$94,975.30
<b>Total</b>	<b>\$1,859,209.28</b>	<b>\$1,683,722.51</b>	<b>\$2,964,009.24</b>	<b>\$2,656,653.00</b>	<b>\$9,163,594.03</b>

## Exhibit II

Vehicle Auction Sales				
Department Number	Department Name	2020	2021	Totals
A.1165.06.26650	District Attorney	\$-	\$3,700.00	\$3,700.00
A.1620.26650	DPW - Buildings	\$-	\$190.00	\$190.00
A.1640.26550.00	Auto Center	\$4,740.00	\$920.00	\$5,660.00
A.1640.26650	Auto Center	\$138,260.00	\$27,200.00	\$165,460.00
A.1680.26650	OCIS	\$-	\$-	\$-
A.3110.25.26650	Sheriff - Law Enforcement	\$40,600.00	\$31,350.00	\$71,950.00
A.3110.70.26650	Sheriff - Homeland Security	\$3,700.00	\$-	\$3,700.00
A.4310.26650	DBCH - Behavioral Health	\$-	\$2,900.00	\$2,900.00
A.6010.26650	DCFS	\$4,100.00	\$-	\$4,100.00
A.6772.50.26650	OFA	\$8,875.00	\$-	\$8,875.00
A.7110.26550.00	Parks	\$-	\$105.00	\$105.00
A.7110.26650	Parks	\$-	\$7,370.00	\$7,370.00
D.5010.26650	DPW - HWY Admin	\$12,700.00	\$5,500.00	\$18,200.00
D.5110.26650	DPW - Maint Roads	\$7,650.00	\$-	\$7,650.00
E.5130.26650	DPW - Road machinery	\$-	\$6,050.00	\$6,050.00
EA.5610.26650	DPW - Airport	\$650.00	\$1,450.00	\$2,100.00
ET.5680.26550.00	Public Transit	\$-	\$305.00	\$305.00
ET.5680.26650	Public Transit	\$-	\$1,000.00	\$1,000.00
<b>Grand Totals</b>		<b>\$221,275.00</b>	<b>\$88,040.00</b>	<b>\$309,315.00</b>

# Department Response: Department of Public Works

**WILLIAM F.X. O'NEIL**  
COUNTY EXECUTIVE



**ROBERT H. BALKIND, P.E.**  
COMMISSIONER

**DAVID C. WHALEN**  
DEPUTY COMMISSIONER

## COUNTY OF DUTCHESS

DEPARTMENT OF PUBLIC WORKS

May 15, 2023

Robin Lois, Comptroller  
County Office Building, 4<sup>th</sup> Floor  
22 Market Street  
Poughkeepsie, NY 12603

### RE: 2023 COUNTY VEHICLE INVENTORY AUDIT

Dear Comptroller Lois:

Thank you for the opportunity to provide comments on the 2023 County Vehicle Inventory Audit report as the Department of Public Works, through the Auto Service Center, is responsible for managing the County's fleet. Since assuming oversight of the County's Automotive Service Center (ASC) in 2012, the Department of Public Works (DPW) has made great strides in oversight of the County's vehicle fleet. Many financial, procurement and asset tracking procedures have been implemented over the past 11 years, and the fleet is in a better state of repair than ever before.

Your report accurately reflects there are many departments within the County that play a role in fleet administration, each with its own focus on fleet operations, management, and impact. With 602 vehicles in the fleet including only 7 leased vehicles, we believe the issues your office has identified can be quickly addressed and most have been corrected already.

The County is currently in the final review process of three updated policies regarding County vehicles that can provide more standardization county-wide. In some instances, however, you recommend policies be put in place which we contend are better handled by implementing internal procedure as the County also has the need to be flexible in decision making depending on ever changing circumstances. Overall the audit report appears to validate the work done within the County's various departments to improve fleet management over the past 11 years.

Responses to your observations and recommendations include:

- DPW agrees that a comprehensive County Vehicle Policy should be updated and re-issued and is working with the Policy Committee to finalize updated policies.
- Of the 602 vehicles in the County's fleet, the County leases 7 or 1%. There is no formal policy concerning the decision to lease vs purchase a vehicle as the Department of Public Works exercises judgment and communicates with other departments to identify if a purchase or lease will best suit the user and circumstance. Decisions are made on a case-by-case basis when necessary with final approval by the County Executive who is the Chief Budgetary Officer. A formal policy can not anticipate every circumstance or possible short-term need, and would limit our flexibility to manage the fleet.

626 Dutchess Turnpike, Poughkeepsie, New York 12603  
[www.dutchessny.gov](http://www.dutchessny.gov)

## Department Response: Department of Public Works

- Leased vehicle costs are normal operating expenses, were paid for from the correct unit of County Government and were within the budgeted amount for the department as approved by the County Executive and County Legislature.
- While your Office recommends the County Executive's Office vehicles should be charged directly to the County Executive's cost center, the treatment of this expense is not unique to the County Executive's Office. Throughout all departments in the County, reimbursable departments are charged for support expenses while non-reimbursable departments are not. The County Executive's Office does not receive reimbursement, and therefore, like the others in this class, the expense is not charged back.
- There are multiple support departments that provide programs and services that support all of the other departments. Examples include the Office of Computer and Information Services, Auto Center, Building Maintenance and Support, Insurance and Human Resources and Risk Management, Finance, and others. The provision of centralized purchasing and support services to departments, and the chargeback of those expenses and costs to all of the non-reimbursable departments is an administrative burden that is not necessary and provides limited benefit. The Budget Office believes year- to-year consistency in budgeting and the ability to identify auto related expenses in the auto center department provides adequate transparency as well as ease of use with regard to the budget document. Additionally, the County Executive, like other non-reimbursable support departments, serves all departments county-wide and therefore does not bare vehicle costs in their individual departments.
- Regarding take-home vehicles, the Department agrees that for all take-home vehicles owned by the county, the after-hours or non-working hours should be identified by the department. This is reported during the annual Budget process to the Budget Office and is reviewed on an annual basis as well as stored in the system. The updated vehicle policy will apply to after-hours usage and location tracking as well. Although the Department has the location of administrative after-hours vehicles, it does not include after-hours addresses for Sheriff Department vehicles. We agree The Sheriff's Office should also obtain and track this information for their fleet, as the authority to take home vehicles was deemed a past practice during a PBA grievance, and the Sheriff ultimately has the authority and responsibility for determining who gets to take home a vehicle. In the past, the Sheriff has not reported overnight location addresses citing security reasons.

Please note that effective in 2022, the Sheriff's Office is handling their own program for vehicle purchase and replacement. DPW is handling the vehicle purchases and replacement program for all other County departments, and DPW continues to manage maintenance and up-keep for all county vehicles, including the Sheriff's Office fleet.

Of additional note, not all vehicles are approved by mid-year capital resolutions but rather can be approved through the budget process. Additions to the fleet cannot be bonded and cannot be included in the resolution for replacement vehicles. Instead, they are included as part of the annual operating budget approved by the Legislature.

Generally, the audit appears to be complete and accurate. As with all audits, the Department will use your report as an opportunity to improve its performance in managing the County automotive and equipment fleet. I wish to acknowledge DPW Director of Fiscal Services Mary Aldrich and DPW Fleet Administrator Bill Ackerly for their efforts to improve and oversee DPW's fleet management. Thank you for the opportunity to offer this response to the 2023 County Vehicle Inventory Audit report.

Sincerely,



Robert H. Balkind, P.E.  
Commissioner

c: David Whalen, DPW Deputy Commissioner  
Mary Aldrich, DPW Director of Fiscal Services  
William Ackerly, DPW Fleet Administrator



## Department Response: Central Services

**WILLIAM F.X. O'NEIL**  
COUNTY EXECUTIVE



**GLENN R. MARCHI, PH.D.**  
COMMISSIONER

**RICHARD W. MAYFIELD**  
DIRECTOR

**COUNTY OF DUTCHESS**  
OFFICE OF CENTRAL AND INFORMATION SERVICES  
DIVISION OF CENTRAL SERVICES

May 10, 2023

Robin Lois, Comptroller  
County Office Building, 4<sup>th</sup> Floor  
22 Market Street  
Poughkeepsie, NY 12603

RE: 2023 County Vehicle Inventory Audit

Dear Comptroller Lois:

Thank you for the opportunity to provide comments in response to your 2023 County Vehicle Audit report. Multiple departments work together to manage the County's 602 vehicle fleet in terms of maintenance, tracking, financing, and ensuring all assets including leased, loaned, donated and purchased vehicles. Your audit includes important observations and will help all departments work toward a better overall system. It is my understanding that the County's Policy Committee is in the process of finalizing an update to the County's vehicle policy which will address many of your Office's concerns. Below are responses to some of your specific recommendations:

- The County will implement a standardized and consistent asset tagging location on each vehicle going forward.
- Regarding the untimely tagging of assets, Central Services enters assets periodically, which is within the standards included in the guidance provided by the State Comptroller's Office. Central Services will accelerate entries to a quarterly basis going forward.
- Central Services agrees that the process for disposing of vehicles should be entered into the system on a timelier basis. The department will therefore handle the disposition of assets as they occur and will reconcile on a quarterly basis to be sure all dispositions have been entered.
- Leases and loaned assets should not be included in the County's asset management system as they are not owned by the County. If they are material and above the threshold for recording a leased asset under GASB 87, they will be included in the County's financial statements. The County departments of DPW and Central Services will work together to create and adopt an accepted procedure that will be utilized when these assets are being used by the County.

## Department Response: Central Services

- Central Services agrees donated assets should be included in the County's financial records and will work with departments to be sure a receiving report is generated and submitted when the department receives a donated asset.

As with all audits, the Central Services Division of the Office of Computer and Information will use your office's recommendations to improve the County's procedures and oversight going forward. Thank you for your time and attention.

Sincerely,



Rich Mayfield

Director, Division of Central Services  
Dutchess County OCIS



# Dutchess County Sheriff's Office

Adrian H. Anderson Law Enforcement Center  
108 Parker Avenue • Poughkeepsie, New York 12601  
Main (845) 486-3800 - Fax (845) 452-2987 - TDD (845) 486-3888

**Kirk A. Imperati, Sheriff**  
**Jason W. Mark, Undersheriff**

Dear Comptroller Lois,

Thank you and your staff for sharing this excerpt from the inventory audit report pertaining to the Sheriff's Office.

The Sheriff and I have reviewed your findings and recommendations and concur with them.

*Findings 1 and 2* will be rectified with better communication and record keeping with the Auto Center to ensure that DCSO assets are properly identified and accounted for on everyone's inventory list.

*Finding 3* will be rectified with the update of location of take-home vehicles on our Office Vehicle Assignment Sheet.

*Finding 4* will be rectified with the completion of our transition to Lexipol Policies, in early summer of this year. We have been in contract with Lexipol since August 2022 and have been updating our Policies and Procedures via a weekly DCSO Policy Team meeting with our Lexipol representative. As we work on our policies, they are in draft form until they are finalized and approved by the Sheriff. Policy 703 Vehicle Use has been completed in draft form and is almost ready for approval.

Let me know if you have any questions or concerns.

A handwritten signature in black ink, appearing to be "J. Mark".

Jason W. Mark

Undersheriff

**"GETTING BETTER TOGETHER"**

## Department Response: Finance

**WILLIAM F.X. O'NEIL**  
COUNTY EXECUTIVE



**HEIDI SEELBACH**  
COMMISSIONER

### COUNTY OF DUTCHESS DEPARTMENT OF FINANCE

**TO:** Robin Lois, Comptroller  
**FROM:** Heidi Seelbach, Commissioner of Finance *HS*  
**DATE:** May 9, 2023  
**RE:** Vehicle Audit Response

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Thank you for the opportunity to provide feedback on your Audit Report for Vehicle Inventory for the period 2018-2023. The Department of Finance will use your recommendations while working with the multiple departments that oversee assets to be sure the County represents our assets and corresponding depreciation accurately.

At the time of the audit there was an unreconciled difference between the vehicles included in the general ledger and the vehicles included in the County's centralized inventory system, which was corrected with a journal entry in 2022. Going forward, the module will be reconciled to the ledger once the yearly reconciliation is complete. Finance relies on Central Services to record and dispose of assets in a timely manner, so all assets are accurately reflected in the financial system and financial statements.

Leases are accounted for in accordance with Governmental Accounting Standards Board (GASB) Statement No. 87 concerning leases. Finance has documented procedures in place to ensure all leases are properly accounted for. Finance is notified when a new lease is entered into, at which time we evaluate to see if the net present value of the lease is greater than \$50,000 and requires recording in the financial reports. The County maintains compliance with GASB 87 materiality capital financing requirements by ensuring all leases which meet the threshold are recorded properly.

Thank you for your audit and review of our vehicle management system and procedures. The Department of Finance welcomes all opportunities to revise systems and procedures to make our process more effective.

## Department Response: Risk Management

**WILLIAM F.X. O'NEIL**  
COUNTY EXECUTIVE



**STEVEN J. RECTOR**  
COMMISSIONER

**GEORGE L. SALEM, JR.**  
DIRECTOR

### COUNTY OF DUTCHESS HUMAN RESOURCES DIVISION OF RISK MANAGEMENT

#### MEMORANDUM

**TO:** Robin L. Lois, Comptroller  
**FROM:** George L. Salem, Jr., Director of Risk  
**DATE:** May 10, 2023  
**RE:** Vehicle Inventory Audit

Thank you for the opportunity to respond to your vehicle inventory audit. As noted below, the Office of Risk Management is confident our internal policies and procedures, as well as reconciliation changes and training priorities will ensure a better system moving forward. Below are our responses to your findings:

- Regarding the removal and addition of vehicles from our insurance policy in a timely manner, we agree and have revised our procedures to include the reconciliation of the Auto Service Center (ASC) master list of County vehicles to the current insured vehicle list from our Carrier NYMIR on a quarterly basis. We will also continue to send a memo to Departments at the beginning of the year reminding them to notify Risk Management and the ASC regarding any changes to their vehicle inventory.
- Although owned by the County, six of the listed vehicles were controlled by a contracted transit agency. Now that Public Transit has been brought in-house, they are working closely with the ASC and Risk Management to make changes more timely. The list of Boats and ATVs for the Sheriff's department gets reviewed annually at renewal. Risk Management will work to reinforce the necessity of more timely notification when changes in insured equipment or motorized vehicles occur.
- Risk Management implemented a change several years ago to a Human Resources onboarding form which requires the department to indicate whether or not an employee could be expected to drive on behalf of the county. Risk Management expedite working with all departments to reconcile existing employee rosters with our list of employees required to take the Defensive Driving.
- Risk Management agrees non-county employees should not be driving county vehicles. However, there are limited circumstances when this is inevitable. Risk Management will send an annual memo reminding departments they need to immediately notify Risk Management if it is expected non-county employees will need to drive County vehicles. Risk Management will obtain the driving record for any non-employees required to drive a County vehicle and the driver can either submit proof of a completed Defensive Driving course or enroll in the County's program.

Again, thank you for this opportunity and your recommendations as the County's system will be in a better position moving forward.

# OFFICE OF THE DUTCHESS COUNTY COMPTROLLER

*ROBIN L. LOIS, COMPTROLLER*



22 MARKET STREET, 4TH FLOOR  
POUGHKEEPSIE, NEW YORK 12601

[WWW.DUTCHESSNY.GOV/COMPTROLLER](http://WWW.DUTCHESSNY.GOV/COMPTROLLER)  
[COMPTROLLER@DUTCHESSNY.GOV](mailto:COMPTROLLER@DUTCHESSNY.GOV)

(845) 486-2050