

DUTCHESS COUNTY DEPARTMENT OF PUBLIC WORKS  
AUTO SERVICE CENTER

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## **Comptroller's Summary**

While the transition from Central Services to the Department of Public Works has afforded many operational improvements, opportunities exist for improvements in internal controls and operating procedures at the Auto Service Center to further safeguard the county fleet. The streamlining of Public Works processes for all divisions should continue to afford financial and operational improvements.

## **Organization and Background**

As of January 2013, the Dutchess County Auto Service Center (ASC) became a division of the Department of Public Works. It was formerly a division of the Department of Central Services. In the transition, the Fleet Administrator position was eliminated and the ASC merged with the Division of Highway and Construction Maintenance. The primary responsibility of the Auto Center is to service and maintain the County automotive fleet. As of September 2013, a total of 425 registered vehicles were maintained by ASC. Other vehicles not on this inventory include diesel vehicles maintained by the Highway Division, Airport Division and the Division of Mass Transit.

In addition to providing maintenance and repairs, ASC assists in the purchase and disposal of vehicles, assists departments in transportation planning, provides fueling sites and maintains records for billing activities performed by the ASC.

## **Audit Scope, Objective and Methodology**

A review of selected processes and procedures related to the operations of ASC was conducted from March 2013 to October 2013. Information was derived from the County's ASC policies and procedures, contract agreements, county financial records, ASC records and staff interviews. Management as referenced in this report generally includes the Acting Commissioner of Public Works and the Director of Budget and Finance except where noted.

The revenue and expenses reported for 2010-2012 and the ten month revenue and expenses for 2013 was utilized for our review. Expenditures reported in 2012 totaled \$2,115,075.17 and Revenues which included interdepartmental reimbursements totaled \$856,853.19.

To obtain a comprehensive updated ASC fleet inventory we worked with DPW staff and county departments. To obtain a review of accident reports we worked with multiple county departments.

## **Summary of Findings**

The transition to DPW found operational improvements in purchasing supplies, vehicle maintenance and fuel management. In addition, improvements were under way for a parts software conversion.

Actions taken during our review included: A physical inventory of parts, security updates for parts room entry and computer software, a policy drafted for the handling and reporting of scrap.

Additional measures are necessary to safeguard the county fleet including:

- Continued maintenance of inventory procedures for vehicles and parts
- Segregation of duties
- Review and revision of policies and procedures
- Detailed processes in place for accidents, salvage, towing and impound.

## Detailed Findings

### ASC Policies and Procedures

Dutchess County's Policies and Procedures were found on the County's Intranet: Section XII Auto Service Center (ASC). Table of contents for ASC policies and procedures is provided at Addendum I. The policies and procedures drafted by the Department of Central Services were a guideline for the various activities performed by ASC and the responsibilities of departments.

#### Findings:

- As of the writing of this audit the Automotive Service Center policies and procedures as noted above had not been updated to replace the authority from Central Services to DPW. Specifically, references to the eliminated 'Fleet Administrator' position should be revised, processes and procedures should be updated to advise users of operating procedures. As an example, an updated process for fueling was implemented by DPW during the earlier part of 2013.
- Internal procedures describing specific auto center processes and individual duties were not available. This lack of control provides unnecessary latitude and open interpretation of duties. As a result, the logs tracking accident reports, impound vehicles, towing, and scrap were not maintained during 2013.

#### Recommendations:

- All procedures should be reviewed and updated to clearly define processes and authority.
- Once this is accomplished, periodic reviews should be done annually to review processes for improvements such as streamlining and risk assessment and incorporate changes through written documents.

### Dutchess County Vehicle Assets Review

Vehicle verification took several months as DPW initially sent lists to all departments requesting verification of vehicles in their possessions. We obtained DPW's vehicle listing and compared it to the Department of Risk Management vehicle/asset list (which is used for insuring vehicles) and the Division of Central Services Fixed Asset listing (which is the official record of fixed assets). There were many anomalies between the lists which required individual department inquiry and physical verification. ***In most instances discrepancies noted were resolved with DPW, Risk Management, Central Services and the respective county department.***

As of September 2013, a total of 425 registered vehicles were maintained by ASC. Most county vehicles were purchased with capital project bond funding and at the time of our review, eight (8) vehicles were leased. During our review, DPW, with Central Services, was in the process of completing the county auction process. ***The ASC had a total of sixty-four (64) County vehicles, including one trailer, turned in for the County's Vehicle Auction held in the Fall of 2013. Four (4) vehicles were not sold and will remain at the ASC until the next County auction, according to the Deputy Commissioner of Public Works. In addition, according to the ASC, sixty-five (65) vehicles have been purchased and/or assigned to county departments in 2013, including two (2) ATV's and three (3) trailers.***

#### Finding

- Violations of ASC policies and procedures were noted regarding vehicle transfers, disposals and accident reporting. The Department of Mental Hygiene and the Division of Mass Transit, in their handling of Office for the Aging vehicles, were the primary violators.

## Recommendation

- Continued improvements should be made by DPW for oversight and monitoring of vehicles assigned to departments to ensure the safeguarding and management of these assets.

## A summary of vehicles follows:

Department	Number of Vehicles Assigned	Department Vehicles Observed*	Percent Observed
DPW Airport	9	9	100%
DPW Auto Center	19	15	79%
Board of Elections	1	1	100%
Aging –NYConnects (FKA CASA)	8	8	100%
Consumer Affairs	5	5	100%
County Clerk	1	1	100%
County Executive	2	1	50%
District Attorney	4	3	75%
DPW Buildings	16	15	94%
DPW-Engineering	9	5	56%
DPW-Highway	4	4	100%
DCFS (FKA DSS)	46	38	83%
DTF	18	2	11%
Emergency Response	15	13	87%
Health	3	3	100%
Mental Hygiene	17	17	100%
OCIS	3	2	67%
OFA-Aging	12	10	83%
DPW Parks	18	13	72%
Planning	4	2	50%
Probation	10	6	60%
Public Defender	2	2	100%
Central Services (Purchasing)	7	3	29%
Sheriff	114	67	59%
Jail	14	8	57%
Auction Vehicles	64	64	100%
<b>Totals</b>	<b>425</b>	<b>317</b>	<b>75%</b>

\*Prior to Auction & Purchase of New Vehicles

## Findings for Selected Departments

### Office for the Aging

According to Auto Center and Risk Management records, the Office for the Aging (OFA), including NYConnects (Formerly Known As CASA), had twenty (20) vehicles assigned for use by the department. *Three OFA vehicles were turned in to the ASC for the County's 2013 Vehicle Auction.*

### Findings

- A 2005 Ford Bus, originally purchased for \$51,315, was recorded as active in the County's Asset system records when this review began, although it was not included on the ASC or the Risk Management vehicle lists. Mass Transit maintains buses for OFA. It was discovered the bus had been scrapped for parts by Mass Transit in September 2011; however, according to Central Services "not in an approved method determined by Central Services policies and procedures". Monies were not received for the scrap value.
- A 2000 Ford Bus, originally purchased for \$49,310, recorded as active in the County's Asset system records and the Risk Management list, was not included on the ASC list for OFA, but was observed in the course of our audit at Mass Transit's LOOP garage. Mass Transit staff indicated it would be utilized for parts and disposed of; however, we were unable to obtain a written determination by ASC/DPW concurring with this.

### **Mental Hygiene (DMH)**

The Auto Center records had seventeen (17) vehicles assigned to Mental Hygiene; however Risk Management records showed twenty-two (22) vehicles insured for DMH. According to DMH records, the five (5) additional vehicles on the Risk Management list were transferred to the ASC due to the discontinuation of some DMH programs.

### **Findings**

- A 2010 Chevy Express Van purchased for \$22,637 was assigned to staff at the 230 North Road location, and was observed to have vehicle damage on the length of the passenger side by ASC staff in May 2013. Inquiries indicated DMH was aware of the damage in December 2012: **However, DMH did not file an accident report with the ASC at the time of the incident in compliance with ASC policies. Additionally, requests were made by DPW Administration to have the vehicle turned in prior to the county auction: However, DMH waited until September 2013.**
- Four vehicles listed as active for Mental Hygiene's Administration in the County's Asset system were found to be transferred to a DMH contract agency. Documentation from DMH was not made available for review.
- A 1995 Ford Windstar Van listed as active for DMH had been sold to another DMH agency in June of 2005.
- Two 2010 Chevy Express 15 Passenger Vans, listed by Risk Management as assigned to DMH, were actually transferred to Office for the Aging, one in March 2012 and the other in August 2012.

### **Department of Community and Family Services (Formerly Known As DSS)**

A total of forty-six (46) vehicles were assigned to DCFS according to the ASC records; forty-seven (47) vehicles were listed by Risk Management. The additional vehicle on the Risk Management list was actually a vehicle assigned to the County Clerk's Office. *Three vehicles assigned to DCFS were turned into the ASC for the County's Vehicle Auction in the Fall of 2013.* Four (4) new vehicles have been assigned to DCFS in 2013.

### **Findings**

- One vehicle, a 2007 Ford Taurus, was assigned to the County Clerk's office but appeared on the DCFS list. This vehicle also had an incorrect Vehicle Identification Number (VIN) in the county records.
- One vehicle, a 2005 Ford Taurus, was donated to the Dutchess County BOCES Community Solutions for Transportation / Wheels for Work Program in April 2013; however, *a properly signed disposal form was not completed until our audit review.*

### **DPW Buildings /Engineering and Parks Divisions**

According to the Auto Center Vehicle List twenty-five (25) vehicles were assigned to the DPW Buildings and Engineering Divisions; eighteen (18) vehicles were assigned to the Parks. *One vehicle and one trailer assigned to Parks were turned into the ASC for the County's Vehicle Auction in the Fall of 2013.* Two (2) new vehicles have been assigned to DPW Buildings and Highway in 2013.

### **Findings**

- A 2003 Dodge Ram, listed by ASC as assigned to DPW Buildings, was not found in the County's Asset system, or the list retained by Risk Management which insures the vehicles. Corrections were in process.
- A 1982 Ford Tractor was stated by the ASC to have been auctioned in 2004; however, the ASC was unable to locate the documentation relating to its' disposal. In addition, the vehicle's title,

which should have been issued to the purchaser, was found to be on file at the ASC at the time of this review.

- A 2009 Snow blower, originally purchased for \$4,670 was not included in the Parks' inventory; however, is currently active in the County's Asset system.
- One (1) of the two (2) 2005 Honda Quads included on the Parks' inventory was not included on the ASC list.

#### **County Clerk's Office**

The County Clerk's Office has one (1) vehicle assigned to the department which is used primarily for delivering paychecks and supplies to the satellite offices as well as for travel by the Clerk and Deputy Clerk to meetings and conferences. It is also used to transport record boxes between the County Office Building and the County's Record Center on Washington Street. No discrepancies were noted.

#### **Public Defender's Office**

Two (2) vehicles were assigned to the Public Defender's Office and no discrepancies were noted.

#### **District Attorney's Office**

Four (4) vehicles were assigned to the District Attorney's Office and no discrepancies were noted. One vehicle was transferred to DTF. One new vehicle has been assigned to the District Attorney's Office in 2013.

#### **Sheriff's Department (including the Jail)**

The Auto Service Center listed 128 vehicles assigned to the Sheriff's Department (114) and the Jail (14). Approximately 60% of the total Sheriff and more than 50% of the Jail vehicles were observed during this review. *Forty-five (45) Sheriff vehicles and four (4) Jail vehicles were turned in to the ASC for the County's Vehicle Auction in the Fall of 2013. Forty-seven (47) new vehicles and two (2) ATVs, were assigned to the Sheriff's Department in 2013; four (4) new vehicles and three (3) trailers, have been assigned to the Jail in 2013.*

#### **Emergency Response**

Emergency Response has fifteen (15) vehicles assigned to the department according to the ASC list. Fifteen (15) vehicles were listed for Emergency Response on Risk Management's inventory; however, one vehicle on the list is actually owned by NYS and is stored at Emergency Response. Emergency Response received one new vehicle in 2013 and one vehicle was transferred to the ASC.

#### **Findings**

- Thirteen (13) of the fifteen (15) vehicles on the ASC list were observed at Emergency Response. One vehicle was in the process of being transferred to the Medical Examiner's office and a trailer was at a repair shop.

**NOTE: The ASC and Risk Management have been notified of the transfer by Emergency Response as a result of this audit.**

#### **DC Probation & Community Corrections**

The ASC lists ten (10) vehicles assigned to the DC Probation & Community Corrections Department; one of these vehicles is assigned to the department's Beacon site; another is assigned to its' Millbrook site; and the remaining eight are assigned to the Poughkeepsie Office. No discrepancies were noted. *One vehicle assigned to Probation was turned into the ASC for the County's 2013 Vehicle Auction.* One new vehicle has been assigned to Probation in 2013.

## Accident Reports

According to ASC Policies and Procedures, all damage to or by County-owned vehicles must be reported within twenty-four (24) hours on an accident report to the ASC; accidents not reported in this manner will be charged to the department for repairs. A minimum of three estimates/bids are required for the county vehicles to be repaired if repair is beyond the ASC capacity.

The ASC logs tracking the County vehicles accident reports were not maintained during 2013. Records for the county vehicles involved in accidents had to be reconstructed during the audit by reviewing County Attorney cases, ASC repairs records and ASC towing reports; at least eighteen (18) County vehicles were found to be involved in accidents in 2013. Accident reports for eleven (11) county vehicles were found during our review of County Attorney's Office and ASC records. According the ASC towing report, four (4) county vehicles involved in accidents were towed to the ASC for damage assessment. Six (6) county vehicles involved in accidents were repaired by the ASC. Six (6) county vehicles had the required three (3) estimates for outside repair in their respective files.

### Findings:

- Accident Reports/Estimates were not forwarded to Risk Management.
- Accident Reports were not consistently filed with the County Attorney in a timely manner.
  - Risk Management and County Attorney could not follow-up with departments, insurance companies, complainants and possibly employees for additional safety training
- Seven (7) accident reports were missing from ASC files for county vehicles involved in accidents.
- One county vehicle repaired by an outside Auto Body shop had only one estimate on file.
- One county vehicle involved in an accident in September 2013 was determined to be a total loss, contained the three (3) estimates on file, and the County recovered a payment of \$17,463.27 in October 2013 for the loss.

### Recommendations:

- All procedures should be reviewed and updated to clearly define processes and authority. Oversight and monitoring should be instituted to ensure processes are followed.
- Periodic reviews for risk assessment and process improvement should be incorporated.

## Revenue

Budget Performance Report	Dept 1640 - Auto Center	01/01/10 - 12/31/10	01/01/11 - 12/31/11	01/01/12 - 12/31/12	01/01/13 - 10/31/13
<b>REVENUE</b>					
24100.00	Rental of Real Property General	\$0.00	\$735.16	\$400.00	\$250.00
24140	Rental of Equipment	\$51,154.02	\$56,647.19	\$36,083.29	\$32,201.65
26500	Sales of Scrap & Excess Material		\$527.00	\$6,253.00	\$2,889.50
26550.00	Sales, Other Minor Sales	\$1,006.80	\$699.70	\$448.80	\$130.00
26650	Sales of Equipment	\$154,758.51	\$116,238.11	\$63,769.35	\$60,017.04
26800	Insurance Recoveries	\$23,780.09	\$4,890.89	\$7,375.65	\$17,463.27
26830.00	Self Ins Recoveries General	\$0.00	\$0.00	\$4,639.47	\$0.00
26830.01	Self Ins Recoveries Disability	\$34.00	\$0.00	\$0.00	\$0.00
26900.00	Other Comp for Loss General	\$1,050.00	\$0.00	\$100.00	\$95.70
27010.00	Refund of Pr. Yr's Exp General	\$7.83	\$491.38	\$200.40	\$18,373.38
27010.99	Refund of Pr. Yr's Exp A/P Items	\$11,076.12	\$3,187.83	\$25.00	\$0.00
<b>REVENUE TOTALS</b>		<b>\$242,867.37</b>	<b>\$183,417.26</b>	<b>\$119,294.96</b>	<b>\$131,420.54</b>

A review of Revenue and available documentation was conducted.

**Findings:**

- Revenues for storage, towing and scrap were not consistently posted to the same line each year. ASC did not have a procedure in place to review and verify revenue postings. Accounts receivable ledgers were not maintained for storage, towing and scrap. Ledgers were not maintained for vehicles impounded or for vehicles involved in accidents in 2013. These important monitoring tools were not available to assist in cross communication between departments, provide risk assessment and ensure proper receipt of funds.

**Recommendations:**

- Accounts receivable ledgers and supporting spreadsheets should be maintained for all revenue sources. These important ledgers should be used for oversight and monitoring of revenues to ensure all funds are captured.

**Revenue Review by Account**

**Rental of Real Property** consisted of funds charged and received for towing and storage of non-county vehicles. In prior years, a spreadsheet was maintained by the Fleet Administrator of vehicles in the impound area and respective costs were assessed for some vehicles in storage including towing. Charges were periodically billed. Funds received in 2013 were for towing and storage.

**Rental of Equipment** consisted of funds received for fuel and repairs for outside agencies (detail shown in Revenue Billings under Sales to Non-County Agencies).

**Sales of Scrap & Excess Material** consisted of funds received for the sale of scrap and excess materials.

**Sales, Other Minor Sales** consisted of some scrap in 2010, 2011 and 2012 and warranty recall reimbursement in 2010 and waste oil disposal in 2011 and 2012.

**Sales of Equipment** represents proceeds from the County Auction. ***Eighty-eight (88) items including sixty four (64) County vehicles and twenty four (24) pieces of equipment were sold for \$157,944.04 in 2013. The Auto Center has received \$60,017.04 of the total sold.***

**Insurance Recoveries** consisted of funds received from insurance payments for damages to county vehicles. One recovery was recorded in 2013.

**Self Insurance Recoveries** General and Disability did not have entries for 2013.

**Other Comp for Loss General** included restitution payments and \$85 in towing in 2013.

**Refund of Pr. Yr's Exp General** included an overpayment to NYS Retirement on behalf of ASC staff.

**Revenue Billings**

Interdepartmental Expense Reimbursement is presented in the county financial records as a negative expense which reduces operational expenditures.

Billable services include repairs and maintenance of vehicles, fuel sales, car washes, vehicle leasing and EZ pass billings. Billings are conducted monthly and include 'revenue' billings and 'memo' billings.

Revenue Billings are generated to reimbursable departments and outside agencies. Memo billings are generated to all other departments.

### Sales to County Departments (Reimbursable Departments)

A total of \$756,716.07 was recorded paid as follows: \$737,558.23 was recorded as interdepartmental expense reimbursement (4629 account) for 2012 and \$19,157.84 in 2013. This amount is shown as a negative expense which reduces operational expenditures.

	2012 Sales	Paid	Write-offs
Aging-OFA	\$100,134.73	\$100,134.73	
DPW-Airport	19,830.47	19,830.47	
Board of Elections	6,833.79	6,623.79	
DPW- Highway Engineering	41,307.83	41,307.83	
DA-Drug Task Force	47,916.04	46,424.41	\$1,491.63
Health Department	18,193.48	17,257.97	935.51
HD-Early Intervention	267.50	267.50	
Planning- Public Transit (AKA Mass Transit)	3,016.95	3,016.95	
Mental Hygiene	97,712.68	97,712.68	
OFA-NY Connects (FKA CASA)	39,156.11	39,126.61	29.50
Planning	5,608.69	5,608.69	
Probation	90,969.82	88,267.74	2,702.08
Social Services	290,877.00	290,877.00	
Youth Bureau	259.70	259.70	
	<u>\$762,084.79</u>	<u>\$756,716.07</u>	<u>\$5,158.72</u>

### Findings:

- Billings at year-end were not timely.
- Year end accruals were not established. The following outstanding 2012 revenue was credited to 2013 financial records:

DPW – Highway Engineering Division	\$5,556.81
Planning- Public Transit (AKA Mass Transit)	157.54
Mental Hygiene	465.45
Department of Community & Family Services (formerly DSS)	12,966.04
Total	<u>\$19,145.84*</u>

\*Total Revenue amount is \$19,157.84- which includes a 2011 DMH adjustment for \*\$12.00.

### Recommendations:

- Billings should be timely.
- Revenue should be accrued to ensure credit to the appropriate year.

### Sales to Non-County Agencies

A total of \$38,616.38 was billed for 2012 to outside agencies. Revenue was posted by Finance to the revenue account 'rental of equipment' (24140). A total of \$36,083.29 (includes 2011 Revenue of \$1,335.77) was recorded in 2012 and \$3,868.86 was recorded in 2013. The 2013 amount represents monies not accrued for 2012 outside agency billings.

Agency	Gas	Parts/Maintenance	Total
Beekman Fire District	\$7,762.15	\$0.00	\$7,762.15
Dutchess Community College	29.28	\$3,678.49	3,707.77
Hyde Park Police Department	1,126.17	6,236.73	7,362.90
Hyde Park Recreation	0	515.03	515.03
DC Soil and Water	4,479.02	4,200.25	8,679.27
DC SPCA	10,561.26	28.00	10,589.26
Total	<u>\$23,957.88</u>	<u>\$14,658.50</u>	<u>\$38,616.38</u>

**Findings:**

- One written agreement was found for a municipality. Labor rates are \$55/hr plus the cost of parts at 30% over county cost. No other agreements were found at the ASC. All other agency's costs are not marked up.
- One invoice had an error in a labor rate. Another did not include a labor fee for work completed as the agency provided the labor at the ASC.
- A total of \$3,868.86 was not accrued in 2012 which resulted in this revenue reported as 2013 revenue.
- A management review of invoice billings was not consistently in place.

NOTE: The ASC was in the process of transferring data to a new parts tracking software - Fleetmax. This software is currently used by Public Works – Highway Division.

**Memo Billing**

Gas and maintenance services to other non-reimbursable county departments are tracked on a memo bill. These billings generate no revenue. In 2012, a total of \$1,062,697.82 was reported for the following departments

Departments	Cost
District Attorney	\$6,939.69
Public Defender	10,957.02
County Executive	9,467.64
Finance	294.50
Real Property Tax	497.50
County Clerk	3,789.56
County Attorney	247.65
Personnel (AKA Human Resources)	805.60
Board of Elections	210.00
DPW Administration	545.08
OCIS -Central Services	49,048.50
DPW Buildings	118,148.56
OCIS	19,306.49
Sheriff	565,713.70
Jail	83,314.39
Emergency Response	20,946.26
Health – Pre-school/Special Ed	82.75
DPW Engineering	41,363.45
HD-Veterans Affairs	616.25
HD-Consumer Affairs	20,812.18
DPW Parks	97,388.02
Planning	12,103.03
Total	<u>\$1,062,597.82</u>

Each department that is memo billed receives a summary of each vehicle serviced which included labor and parts, fuel, EZ pass charges and car washes.

**Billing Reports and supporting work orders**

As part of the audit, system reports were requested for review to ensure all services provided were entered into the software and billed correctly to each source. There were two reports run for the audit. The fuel report generated from FuelMaster and Surefleet's' work order report. FuelMaster reports are automatically generated from information entered at the point of sale. Surefleet work orders were entered manually by the Auto Parts Specialist.

**Findings:**

- The Surefleet monthly work order report was not reviewed by management.
- Monthly reports sampled found:

- September 2012, 31 work order numbers were missing from the report
- October 2012, 37 work order numbers were missing from the report
- Work orders were discarded when voided and other missing work orders could not be traced.

**Recommendations:**

- Monthly reports and a sampling of information should be reviewed by management to provide oversight and process corrections where discrepancies are noted.
- All work orders should be properly accounted for including the retention of Voids.

**Expenses**

EXPENSE	1640 - Auto Center	01/01/10 - 12/31/10	01/01/11 - 12/31/11	01/01/12 - 12/31/12	01/01/13 - 10/31/13
1010,1040,1050,1070	<b>Positions</b>	\$592,501.13	\$617,987.65	\$614,142.67	\$483,294.84
2500.05	<b>Other Equipment 5 YEAR</b>	\$5,938.70	\$13,615.00	\$0.00	\$0.00
4102	<b>Parts &amp; Supplies-Auto, Equip</b>	\$202,965.68	\$166,974.43	\$179,825.42	\$118,811.09
4105,4123,4126,4127, 4138,4160,4190	<b>Supplies</b>	\$19,296.71	\$23,186.85	\$23,544.27	\$14,018.44
4130	<b>Gasoline</b>	\$707,969.45	\$846,995.29	\$787,982.57	\$592,019.29
4220	<b>Electric-Light &amp; Power</b>	\$12,407.66	\$10,682.24	\$10,581.23	\$7,808.84
4310	<b>Motor Vehicle Insurance</b>	\$36,949.53	\$38,481.88	\$57,511.80	\$0.00*
4404	<b>NYS Assessments / Fees</b>	\$230.64	\$226.90	\$235.39	\$151.08
4460	<b>Commercial Printing</b>	\$700.00	\$0.00	\$0.00	\$0.00
4570.62	<b>Rental/Lse - Equip Short T</b>	\$500.00	\$500.00	\$500.00	\$500.00
4570.63	<b>Rental/Lse - Equip Long T</b>	\$32,827.08	\$32,749.66	\$34,869.69	\$29,848.50
4609	<b>Maintenance/Serv Contracts</b>	\$1,500.00	\$1,500.00	\$1,500.00	\$0.00**
4611	<b>Refuse Removal</b>	\$3,854.96	\$3,510.71	\$3,828.96	\$2,825.53
4612	<b>Repairs/Alt To Equip</b>	\$318.32	\$88.93	\$316.12	\$896.32
4612.101	<b>Repairs/Alt To Equip Vehicle</b>	\$71,964.28	\$49,193.42	\$56,292.34	\$38,413.73
4613	<b>Repairs/Alt to Real Prop</b>	\$7,235.67	\$8,521.70	\$6,072.39	\$2,855.44
4619,4620.72,.73,.75	<b>Employee Mileage &amp; Travel Exp</b>	\$1,307.28	\$1,249.94	\$1,730.74	\$238.63
4628.51,.52,.77,.78,.79	<b>Interdept Expenses</b>	\$3,261.00	\$3,454.46	\$2,978.69	\$2,174.29
4629	<b>Interdept Exp Reimb</b>	<b>-\$806,151.31</b>	<b>-\$814,026.26</b>	<b>-\$737,558.23</b>	<b>-\$536,631.55</b>
4640	<b>Laundry</b>	\$3,914.00	\$3,931.00	\$3,942.00	\$2,497.75
4650	<b>External Postage</b>	\$2,002.92	\$1,258.56	\$829.58	\$836.05
4670.95 / 4670 (M)	<b>Subscriptions Subs</b>	\$2,645.00	\$2,645.00	\$2,645.00	\$1,500.00
4670.96	<b>Subscriptions Dues</b>	\$555.00	\$475.00	\$475.00	\$0.00
4750	<b>Other Equipment-ND</b>	\$1,836.03	\$2,695.00	\$0.00	\$1,375.00
8000s	<b>Retirement &amp; Benefits</b>	\$263,024.26	\$302,452.84	\$325,271.31	\$186,772.84
<b>EXPENSE TOTALS</b>		<b><u>\$1,169,553.99</u></b>	<b><u>\$1,318,350.20</u></b>	<b><u>\$1,377,516.94</u></b>	<b><u>\$950,206.11</u></b>

\*Motor vehicle insurance is paid annually in November of each year.

\*\*Maintenance and Service contract for Meridian Systems, Inc. SureFleet software expired in June 2013. SureFleet was replaced by FleetMax, Inc. software in September 2013. The Highway Department is in negotiations with FleetMax for a current maintenance contract.

Selected Gasoline and Auto Parts Expenditures were reviewed.

## Gasoline

The chart reflects the fuel purchase expenses per location and credit card usage.

<b>Auto Center Fuel Expenses by Site</b>				
	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013* thru 7/2013</b>
<b>Beekman / Poughquag</b>	\$84,306.58	\$117,484.87	\$105,311.94	\$61,783.67
<b>Amenia</b>	\$40,060.21	\$48,472.97	\$43,509.57	\$18,302.35
<b>Rhinebeck</b>	\$54,757.93	\$79,495.42	\$71,705.41	\$60,007.84
<b>DCAC</b>	\$333,748.05	\$414,032.02	\$388,668.66	\$182,893.20
<b>Credit Card</b>	\$30,562.66	\$28,480.93	\$15,777.23	\$4,730.65
<b>Highway Outpost</b>	\$10,740.87	\$0.00	\$773.47	\$0.00
<b>Bowdoin Park</b>	\$70,483.91	\$73,535.15	\$81,106.97	\$57,469.65
<b>Aviation</b>	\$32,968.67	\$35,731.65	\$35,778.36	\$14,382.58
<b>Millbrook</b>	\$21,201.97	\$24,493.42	\$24,060.41	\$16,282.25
<b>Sheriff</b>	\$12,359.55	\$13,497.24	\$11,247.58	\$3,215.55
<b>Wilcox</b>	\$6,934.14	\$11,771.62	\$10,042.97	\$4,079.07
<b>Totals</b>	<b>\$698,124.54</b>	<b>\$846,995.29</b>	<b>\$787,982.57</b>	<b>\$423,146.81</b>

\*as of July 31, 2013

## Findings

- Four entries in the ASC fuel delivery expense spreadsheet did not agree with delivery location on the tickets or the respective entries in the County's Accounts Payable system in 2012 and 2013.
- Despite the availability of a nearby outpost, gasoline was purchased from the Town of Pine Plains; a practice that was in place when the county outpost was being renovated.

## Recommendations

- Entries should be reviewed for accuracy by administration.
- A contract with the Town of Pine Plains was in place since December 3, 2001 for fuel purchases. DPW Administration was reviewing whether this service is still needed with the Town of Pine Plains.

## Parts and Supplies

Auto parts are purchased according to Central Services county purchasing procedures and guidelines. **Purchasing discrepancies were noted by DPW management (DPW Acting Commissioner, Garage Superintendent, DPW Director of Budget and Finance) when they took over the oversight of the department and were corrected.**

## Findings:

- Several employees had access to and were using the Auto Center's 'administrative sign on' to the parts software which resulted in a security breach and lack of internal control. This sign on allowed employees to use all computer system's permissions including: price adjustments, invoice deletions, parts deletions, etc.  
*DC Comptroller brought this to management's attention and it was immediately rectified. Management includes DPW Acting Commissioner, DPW Director Of Budget and Finance and Commissioner of OCIS.*
- One person is in total control of ordering, receiving and disbursing the parts inventory, computer data entry, performing a physical count of parts and system adjustment counts.
- During 2012, there was no evidence of management review of inventories.

- All employees have keys to the premises which include the gates and buildings. The parts room was not locked. *DC Comptroller brought this to management's (Acting Commissioner and Director of Budget and Finance) attention and it was being rectified.*
- The quarterly periodic inventory verification was not performed as stated in the Policies. Inventories were not done timely and when they were completed, there was not supervision or oversight attestation. Discrepancies were not investigated and signed off as reviewed.
- Parts Inventory was not recorded on the County financial statements. At the time of our review there was approximately \$75,000 in parts inventory.
- All parts were not on the inventory:
  - Used Auto parts
  - Special stock parts
  - Scrap parts

**Recommendations:**

- Passwords should not be shared and should be changed periodically.
- Duties should be segregated to ensure there are checks and balances.
- Access to the building should be limited.
- Parts inventory should be safeguarded and all doors locked with limited access granted.
- Periodic cycle counts should be performed according to the guidelines. Anomalies should be researched and corrected with approval by a supervisor.
- Assets should be recorded and maintained on the county financial records.
- All assets should be documented and accounted for.

## **ADDENDUM I**

### ***Section XII. Automotive Service Center (policies)***

- **Overview**
  - **Policies**
    - **Vehicle Assignment and Administration**
    - **Vehicle Usage and Maintenance**
    - **IRS Publication 1542 - Per Diem Rates**
    - **IRS Publication 463 - Travel, Entertainment, Gift & Car Expenses**
  - **Responsibility**
  - **Procedures**
    - **General**
    - **Assignments of County-Owned or Leased Motor Vehicles**
    - **Use of County-Owned Vehicles**
    - **Maintenance of County-Owned Vehicles**
    - **County Fuel and Car Wash Locations Map**
    - **Trip and Mileage Recording**
    - **Security Cards**
    - **Forfeiture of Vehicle Privileges**
    - **Complaints**
    - **Use of Privately-Owned Vehicles**
    - **Accidents**
    - **Vehicle Turn-In and Auctions**
    - **Bidding for Body Repairs**
    - **Billing**
    - **E-Z Pass**
  - **Exhibits**
    - **Automotive Use Request Form**
    - **Service Charges**
    - **Daily Trip Log**
    - **Sample Bill**
    - **Repair Request**
    - **Vehicle Request Form (for budget submission)**
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