

DUTCHESS COUNTY DEPARTMENT OF CENTRAL SERVICES
AUTO SERVICE CENTER DIVISION

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Comptroller's Summary

Organization and Background

The Dutchess County Auto Service Center (ASC) is a division of the Department of Central Services.

Audit Scope, Objective and Methodology

The objective of our audit was to review selected control activities for the period January 1, 2008 through December 31, 2008. Selected expenditures, billing collection and revenue recordkeeping were reviewed.

A total of \$70,173.65 was reported as revenue with an additional \$891,147.10 from inter department billings recorded as an offset to expenses. The department's overall expenditures incurred totaled \$2,108,782.91. Addendum I details the Revenue and Expense account totals as reported from the Budget Performance Report dated October 9, 2009 for 2008.

Summary of Findings

Recordkeeping was conducted manually for a number of areas reviewed. However, the department was receptive and implemented spreadsheets we recommended for various processes. Procedures were not in place to validate the department's revenue posted in the official county records.

Detailed Findings

Control Environment

Computerization

While the ASC has various software packages to assist in data collection, we noted the compilation of data for billing functions, tracking of security cards, accident reports was done manually. For audit purposes we created various excel spreadsheets which we shared with the ASC to assist in the streamlining of these activities. ***The ASC was receptive and implemented these changes at the time of our review.***

Billing

Monthly vehicle expenses billed include: the use of vehicles, vehicle maintenance and repairs, EZ-pass and fuel dispensed. Information for these expenses is gathered from the ASC expense documentation which is detailed in this report.

Three billings are prepared monthly as follows:

- **Outside agencies** are billed monthly and revenue is recorded in the 24140- Rental of Equipment revenue line item.
- **County departments that receive federal and state reimbursement** are billed monthly and funds are deposited in the 4629 Interdepartmental Expense Reimbursement line. This account is recorded as a negative to offset the department's total expenses (as shown on Addendum I). This is a required process to ensure expenses and revenues are not recorded twice.
- **County departments that do not receive reimbursements** are "Memo Billed".

Finding:

- A summary of the "Memo" billings was not maintained monthly by ASC as required for control purposes and a year-end indirect cost study report.
- DCSO 'memo billing' did not include all invoices from the Town of Pine Plains for fuel dispensed at the Town of Pine Plains site. *The county contracted with the Town of Pine Plains to allow the Dutchess County Sheriff's Office access to their fueling site in Pine Plains. Pine Plains bills the ASC; the ASC processes a payment to Pine Plains; and the expense is included in the memo billing to DCSO.*

Recommendations:

- A monthly "Memo" billing spreadsheet should be maintained. ASC is implementing a spreadsheet we provided at the time of the audit.
- All costs should be billed. A reconciliation of costs incurred and costs billed should be implemented.

Cash Receipts

ASC receives checks from monthly billings from outside agencies and county departments. A transmittal memo is typed and sent with the checks to Finance. Finance deposits funds, posts revenue and sends a Cash Receipt to the ASC.

Finding:

- Payments received at the ASC were written in a Receipt Book. In the sample reviewed, minor posting errors were noted and balance due was not consistently maintained.

Recommendation:

- We recommended the computerization of the receipting process and it was implemented during the audit.

Departmental Revenue

The revenue entries posted to the department accounts were reviewed for accuracy. This review included the Inter-Departmental Expense Reimbursement.

Finding:

- Departmental revenue was not consistently reconciled and verified by ASC. Mispostings were noted in the revenue and accounts receivable accounts.

Recommendation:

- Procedures should be implemented to review departmental revenue and accounts receivable postings for accuracy.

Selected Processes Reviewed

Repair and Maintenance Expenses - Work Orders

A Work order is generated for each vehicle repair. It is initiated by repair requests and contains the work performed, parts used and labor hours. Work orders are entered into a computerized system by the Parts Specialist. The computerized work order is outputted and given to the Fleet Administrator prior to monthly billing.

To review the billing process, work orders from selected vehicle files were sampled. No discrepancies were noted.

Inspections

ASC is authorized to perform NYS inspections on vehicles maintained by ASC. The policy and procedures were reviewed. Inspection costs are included on monthly billings. Periodic vehicle inspection notices are to be sent by the ASC.

Finding:

- The notifications were not consistently sent in 2008.

Recommendation:

- Procedures should be strengthened to ensure all vehicles have current inspections.

Accident Reports

The Fleet administrator maintains a file with: the completed MV-104 Accident Report, a copy of the Police Report (if received), and the repair estimate are submitted to Risk Management. In addition, the fleet administrator maintained two manual logs:

- One log to record accident description and whether it was preventable or not preventable.
- Another log to track accidents which resulted in repair costs and possible recoupment.

Finding:

- Manual logs were maintained. ASC is implementing spreadsheets provided at the time of the audit for each log.

Recommendation:

- Continue maintaining the computerized spreadsheets.

Fuel cards

Fuel security cards

Two separate security cards must be used to utilize the fuel pumps. One card must remain with the vehicle (Yellow Card) and the other is assigned to an individual (Blue Card).

The Yellow Card is issued and remains in the vehicle. A list of Yellow Cards, with vehicle numbers, is maintained on one Clerk's computer. For quick reference, a steno-book is also maintained, sub-divided by departments. Batches of card numbers are assigned to various departments and noted on the front of the steno-book. Also noted is the "Department", "Page", and the "Range of card numbers assigned".

The Blue card is issued to the authorized driver. A Blue Card is issued by the Auto Center to an individual for use to obtain fuel at the various fueling sites. When an individual is no longer employed by the county or an agency, the Blue Card is to be returned to the Auto Center as soon as possible.

Finding:

- The Card listings were on one clerk's computer instead of on the Shared drive with security passwords.

Recommendation:

- Card listings should be computerized and available on the Shared drive. Manual records could be eliminated with the periodic printing of the lists.

Fuel security cards: Verification

Annually memos are sent to verify that employees with blue cards are still employed by the respective department.

Finding:

- In reviewing the verification notices, all responses were not on file.

Recommendation:

- Ensure all verifications are on file. We recommend that this process be done more frequently than annually. In addition, a computerized e-mail to departments would be more efficient for sending, receiving and filing responses (in a computerized file).

Addendum I

2008 Auto Center Budget Performance Report

From Date: 1/1/2008 To Date:12/31/2008

Account Number	Amended Budget	YTD Transactions
Revenue		
24100 Rental of Real Property	\$500.00	\$391.50
24140 Rental of Equipment	\$57,000.00	\$35,211.53
26550 Sales, Other	\$0.00	\$0.00
26650 Sales of Equipment	\$75,000.00	\$23,300.00
26800 Insurance Recoveries	\$15,000.00	\$10,249.09
26830 Self Ins Recoveries	\$0.00	\$0.00
26900 Other Comp for Loss	\$0.00	\$0.00
27010 Refund of Pr. Yr's Exp	\$0.00	\$1,021.53
Revenue Totals	\$147,500.00	\$70,173.65
Expense		
1010 Positions	\$570,661.00	\$563,880.08
1040 ST Overtime	\$989.00	\$901.78
1050 Overtime	\$8,711.00	\$4,282.93
1070 Shift Differential	\$300.00	\$147.33
2300 Motor Vehicles	\$6,000.00	\$0.00
2500 Other Equipment	\$0.00	\$0.00
4102 Parts & Supplies - Auto, Equip	\$205,000.00	\$200,484.28
4105 Bldg & Maint Parts, Supp & Tools	\$9,000.00	\$8,902.69
4119 Edu Supplies-Books, Film	\$135.00	\$0.00
4123 Safety Supplies	\$750.00	\$696.00
4124 Communication Supplies	\$0.00	\$0.00
4126 Fuel Oil for Heating	\$12,210.00	\$10,893.79
4130 Gasoline	\$1,083,756.00	\$889,109.13
4138 Identification Supplies	\$500.00	\$499.12
4155 Medical & Lab Supplies	\$25.00	\$22.66
4160 Office Supplies	\$4,500.00	\$2,640.45
4190 Uniforms, Badges & Access	\$810.00	\$802.17
4220 Electric-Light & Power	\$17,440.00	\$13,426.40
4230 Telephone	\$0.00	\$0.00
4231 Data Lines	\$0.00	\$0.00
4310 Motor Vehicle Insurance	\$38,727.00	\$36,927.54
4404 NYS Assessments and Fees	\$307.00	\$211.51
4460 Comm Printing	\$750.00	\$650.00
4570 Rntl/Lse - Equip	\$42,498.77	\$35,204.68
4609 Maint -Service Contracts	\$6,500.00	\$1,500.00
4611 Refuse Removal	\$4,800.00	\$4,277.04
4612 Repairs/Alt To Equip	\$80,000.00	\$79,967.12
4613 Repairs/Alt to Real Prop	\$16,000.00	\$13,531.20
4619 Employee Mileage Non-Taxable	\$0.00	\$0.00
4620 Employee Travel & Exp	\$1,700.00	\$1,382.33
4626 Employee Allow-Taxable	\$800.00	\$497.55
4628 Interdept Exp	\$4,435.00	\$3,852.41

4629 Interdept Exp Reimb	(\$899,895.00)	(\$891,147.10)
4631 Training Seminars/Conf	\$4,000.00	\$620.00
4640 Laundry	\$5,000.00	\$4,864.00
4650 External Postage	\$1,999.13	\$1,091.18
4670 Subscr & Dues	\$2,840.00	\$2,840.00
4750 Other Equipment-ND	\$0.00	\$0.00
8100 Pymts to Retire System	\$45,239.00	\$45,239.00
8200 Pymts to State Soc Sec	\$42,885.00	\$42,727.03
8300 Workers Comp Payments	\$0.00	\$0.00
8355 Long-Term Disability	\$1,283.00	\$1,282.55
8400 Hospital,Med&Surg Ins	\$121,147.00	\$121,146.05
8450 Optical Insurance	\$2,656.00	\$2,655.61
8500 Dental Insurance	\$11,370.00	\$11,369.30
8800 Life Ins & Acc Death & Dismemb	\$256.00	\$255.65
8850 ACC Death & Dismemb	\$3.00	\$2.35
Expenditure Totals:	<u>\$1,456,087.90</u>	<u>\$1,217,635.81</u>