

# County of San Bernardino

Auditor-Controller/Treasurer/Tax Collector  
Internal Audits Section

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## Department of Agriculture/ Weights & Measures: Vehicle Audit



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# Auditor-Controller/Treasurer/Tax Collector

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*The San Bernardino County Auditor-Controller's Office is committed to serving our customers by processing, safeguarding, and providing information regarding the finances and public records of the County. We perform these functions with integrity, independent judgment, and outstanding service. We are accurate, timely, courteous, innovative, and efficient because of our well-trained and accountable staff.*

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**February 23, 2017**

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### **SUBJECT: DEPARTMENT OF AGRICULTURE/WEIGHTS & MEASURES VEHICLE AUDIT**

In compliance with Article V, Section 6, of the San Bernardino County Charter and County Policy 05-20 entitled Internal Operational Auditing, we have completed an audit of the Department of Agriculture/Weights & Measures' vehicles for the period of January 1, 2015 through December 31, 2015. The primary objectives of the audit were to determine if the Department of Agriculture/Weights & Measures (Department) has effective procedures and controls over its light duty vehicles and to determine if the number of light duty vehicles owned by the Department and/or assigned by Fleet Management is appropriate to meet the business needs of the Department. We conducted our audit in accordance with the International Standards for the Professional Practice of Internal Auditing established by the Institute of Internal Auditors.

We identified a procedure that should be improved. We have listed this area for improvement in the Audit Finding and Recommendation section of this report.

We sent a draft report to the Department on January 12, 2017 and discussed our observations with management on January 24, 2017. The Department's response to our recommendation is included in this report.

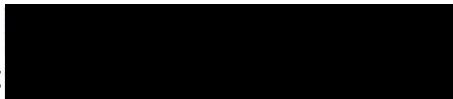
We would like to express our appreciation to the personnel at the Department of Agriculture/Weights & Measures who assisted and cooperated with us during this engagement.

Respectfully submitted,

**Oscar Valdez**

Auditor-Controller/Treasurer/Tax Collector  
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# Department of Agriculture/Weights & Measures: Vehicle Audit

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## Summary of Audit Results

Our finding and recommendation is provided to assist management in improving internal controls and procedures relating to the Department's light duty vehicles.

The table below summarizes the audit finding and recommendation for this audit engagement. For further discussion, refer to our *Audit Finding and Recommendation* section of this report.

Finding and Recommendation	Page No.
<b>Finding:</b> The monitoring controls over the Department's use of County fuel need to be improved.	4
<b>Recommendation:</b> We recommend that management establish and implement monitoring control procedures for the Department's fuel usage.	



### **Agriculture/Weights & Measures Vehicle Fleet**

The Department of Agriculture/Weights & Measures (Department) is tasked with protecting the overall health of the public by providing assistance to residents and businesses in complying with state and local agricultural and consumer protections laws. The Department is also charged with a multitude of other responsibilities in overseeing the welfare of the public, which range from enforcing plant quarantines and regulating pesticide use to inspecting weight and measuring equipment.

The Department maintains an adequate fleet of vehicles that is essential for effectively fulfilling its operational objectives. The composition of the fleet includes heavy equipment, special utility and light-duty vehicles. Department personnel are not authorized to take County-owned vehicles to their personal residence during non-business hours. Therefore, at the end of each day, Department personnel are required to secure the vehicles at one of the following assigned locations:

- Administration Office (San Bernardino)
- Ontario Airport
- West Valley Service Center (Rancho Cucamonga)
- Sheriff's Department (Fontana)
- High Desert Government Center

Department employees can purchase fuel at various sites located throughout the County. The volume of fuel usage for each vehicle will differ, as the Department's employees have varying daily responsibilities to fulfill. Additionally, all fuel purchases are reported to the Fleet Management Department (Fleet), either through system automation or manual tracking logs. Since Fleet maintains a centralized fuel tracking system for the County, the Department can obtain fuel usage reports at any time.



## Scope and Objectives

Our audit examined the Department's vehicle fleet and fuel usage activity for the period of January 1, 2015 through December 31, 2015. Our audit was primarily focused on the usage of the Department's light duty vehicles. We conducted our fieldwork at the Department's Administration Office.

The objectives of our audit were to:

- Determine the effectiveness of the Department's procedures and controls over its light duty vehicles.
- Determine if the number of light duty vehicles owned by the Department and/or assigned by Fleet Management is appropriate to meet the business needs of the Department.

## Methodology

In achieving the audit objectives, the following evidence gathering and analysis techniques were used, including but not limited to:

- Interviewing Department management and other personnel that were involved with the Department's vehicle operations.
- Reviewing the Department's vehicle inventory listing generated by Fleet Management and the Assigned Vehicle Report submitted to Central Payroll for taxable fringe benefit reporting.
- Conducting an inventory of the light duty vehicles at various Department locations.
- Examining the weekly vehicle mileage reports submitted by Department personnel.
- Evaluating the monitoring of the Department's light duty vehicles.





### **Finding 1: The monitoring controls over the Department's use of County fuel need to be improved.**

The County's Internal Control and Cash Manual on page 2-2 states that by establishing internal controls, management is provided reasonable assurance that their objectives are being met in a supportive control environment. Additionally, continuous monitoring of the existing control-related procedures serves to prevent the occurrence of errors.

Our audit disclosed evidence that the Department does not have effective monitoring procedures in place over the fuel activity. The following control deficiencies were identified:

- Fuel purchases were erroneously made by employees of another department using the Department's vehicle number.
- An incorrect department code was associated with fuel purchases for some of the Department's vehicles. If the Department were to request their fuel purchases for any given period, these vehicles would not be included in the fuel transaction report because the wrong department code would be tied to the fuel transactions.

Management did not detect the discrepancies associated with the fuel purchases, as they were not reviewing the Department's fuel usage activity. According to management, they were unaware that fuel usage reports could be obtained from the Fleet Management Department.

Without adequate monitoring mechanisms in place, such as performing routine reviews of fuel usage reports, the likelihood that employees will misuse fuel and the misuse will go undetected by management is increased.

### **Recommendation:**

We recommend that management establish and implement monitoring control procedures for the Department's fuel usage. These procedures should include requesting fuel usage reports from Fleet Management so that management can conduct monthly reviews of the Department's fuel purchase activities. Furthermore, these procedures will enable management to immediately investigate any anomalies identified in the fuel reporting.



### **Management's Response:**

A Department manager contacted Fleet Management to discuss the audit findings, specifically errors that were discovered by the audit regarding fuel /car wash purchases not associated with staff members from the Department of Agriculture/Weights & Measures. The noted errors have been rectified. In addition, the Department requested monthly statements that will show the itemization of the purchases of gasoline and car washes made by Department staff. This report will be reviewed monthly by Department managers to confirm the accuracy of the purchases. Any noted errors will immediately be brought to the attention of the Fleet Management Department.

### **Auditor's Response:**

The Department's actions and planned actions will correct the deficiencies noted in the finding.