

# County of San Bernardino

**Auditor-Controller/Treasurer/Tax Collector  
Internal Audits Section**

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## **Fleet Management Department: 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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**May 11, 2018**

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## **SUBJECT: 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 Fleet Management Department for the period of July 1, 2016 through June 30, 2017. The primary objectives of the audit were to determine the effectiveness of the Department's procedures and controls over its light duty vehicles and to determine if the number of light duty vehicles currently owned and/or managed 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 could 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 and discussed our observations with management on April 12, 2018. The Department's response to our recommendation is included in this report.

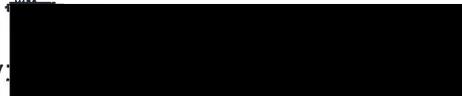
We would like to express our appreciation to the personnel at the Fleet Management Department who assisted and cooperated with us during this engagement.

Respectfully submitted,

**Oscar Valdez**

Auditor-Controller/Treasurer/Tax Collector  
San Bernardino County

By:



**Denise Mejico**

Chief Deputy Auditor

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## **Fleet Management Department: Vehicle Audit**

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## VEHICLE AUDIT

### The Department

The San Bernardino County Fleet Management Department provides vehicles, equipment and services to the officials and employees of the County so that they may, in turn, provide services that promote health, safety, well-being and quality of life to the residents of the County.

Fleet Management provides services for the majority of county vehicles and equipment. Services include the acquisition, maintenance, repair, modification and disposal of vehicles and other related equipment. San Bernardino County Sheriff and Special Districts Departments are authorized to operate their respective fleets independent of Fleet Management.

Fleet Management operates its main garage in San Bernardino - including the following shops: light duty (cars and pickup trucks), heavy duty (large trucks and other equipment), welding/metal fabrication, parts room and a fueling station. The department also operates five smaller "service centers" in outlying locations and over 60 strategically located fueling sites with more than 100 fuel tanks.

Additionally, the Department operates a motor pool, which has ownership and/or maintenance responsibility for approximately 1,900 automobiles, vans, pick-up trucks and various specialty vehicles assigned to county departments. The Motor Pool oversees replacement, fuel, maintenance, repair and other operational funding of fleet vehicles.

The Department utilizes the Motor Pool for daily rentals and long-term assigned rentals to satisfy department needs. At the time of fieldwork, the Department had 140 light duty unassigned vehicles available in the Motor Pool and 15 long-term light duty vehicles assigned to either specific drivers or offices. When using long term-rentals or daily rentals, the Motor Pool bills each section within the Department independently for the use of those vehicles. In this way, Motor Pool treats the rest of Fleet Management as if they are a separate department renting vehicles.



## Scope and Objectives

Our audit examined the Department's vehicles for the period of July 1, 2016 through June 30, 2017.

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 currently owned and/or managed by Fleet Management is appropriate to meet the business needs of the Department.

## Methodology

In achieving the audit objectives, the following audit procedures were performed, including but not limited to:

- Interview of Fleet Management Department staff.
- Review of the Department's policies and procedures.
- Examination of original source documents and system generated reports.
- Inventory of the light duty vehicles at various Department locations.



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

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

The following control deficiencies were noted:

- The Department tracks vehicle usage through the Monthly Internal Billing report. However, this report does not include the monthly mileage for any vehicles not returned that month.
- Although the Department Accounting Technician sends the Monthly Internal Billing Report and Fuel Transactions Report to Fleet supervisors monthly, there is no documented review of these reports.
- Individual driver information for shared vehicles is not tracked by the Department.

Without effective reviews of vehicle activity, the likelihood that misuse of County-owned vehicles will go undetected by management is increased.

**Recommendation:**

Fleet Management should include monthly mileage for all vehicles in the Monthly Internal Billing Report as this is used to track vehicle activity. Supervisors should document their review of both the Monthly Internal Billing Report and Fuel Transaction Report. Also, the Department should track individual driver information for shared vehicles and have a documented, monthly review of this information as well.

**Management's Response:**

Fleet was disappointed in the results of the audit, but Fleet is encouraged and committed to improving the monitoring of light duty vehicles. The department agrees with the findings, and to improve the tracking of light duty vehicles Fleet will implement the following:

- Fleet will distribute the monthly mileage for any vehicles not returned with the Monthly Internal Billing reports.



- Fleet will require Fleet supervisors to acknowledge receipt of the Monthly Internal Billing Report and Fuel Transaction Report, and to report to the Superintendents via email their responses.
- Fleet will also require a sign out sheet for all shared vehicles in the Garage Shops. The method will mirror the process currently used by shared Motor Pool vehicles, and will include the driver's name, county ID number, date, time in and out.

Each of these items provide opportunities to review and improve the tracking of light duty vehicles within Fleet Management.

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

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