

AUDIT REPORT

Automotive Services
24-Hour Vehicle Audit
July 2023



CLARK COUNTY *Nevada*
Audit Department

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Audit Executive Summary

Automotive Services 24-Hour Vehicle Audit

July 2023

Background | Clark County Automotive Services provides vehicle, equipment, and fueling support services to County departments and other local agencies. The County fleet consists of over 2,700 vehicles.

Most County vehicles are used and then returned to a centralized location. However, the County has a take-home vehicle program for employees whose job requires them to have a vehicle on a 24-hour basis.

As of fiscal year 2023, there are 182 take-home vehicle assignments. This represents an uptick from prior years, primarily due to an increase in the program in response to the COVID pandemic.

Clark County Administrative Guideline 6 governs the allocation, use of, operation and accountability of County vehicles. Administrative Guideline 15 gives direction for the use of a Global Positioning System (GPS) in County vehicles. Automotive Services oversees these guidelines.

Controls over the program, including appropriate usage, are important due to potential liability for the County.

Purpose of Audit | The objective of this audit was to determine whether employees assigned 24-hour vehicles are complying with County guidelines, policies, procedures and applicable state, federal, and local statutes. Also, whether usage was appropriate, and vehicles are indeed being utilized.

Summary and Key Findings | Overall, we found that Automotive Services is reasonably administering the 24-hour vehicle program. Most departments have adequate oversight to identify improper use, lack of use, and overall asset safeguarding. We identified areas that need improving to ensure departments are monitoring vehicle usage and adhering to administrative guidelines.

The key audit findings are:

- Employee driver's license not verified as standard practice. (Page 5)
- Unsafe driving behavior not being monitored. (Page 8)
- One instance of improper usage, and some departments that could not justify stops made by employees during the workday. (Page 10)
- Departments are not following guidelines related to employees with take-home vehicles that go on leave (Page 11), changes in vehicle assignments (Page 14), and commuting use reporting. (Page 17)
- One department has no procedures for monitoring take-home vehicles. (Page 13)
- Two employees were not current on the required defensive driving course. (Page 16)
- Policies and procedures for reviewing vehicle utilization analysis (Page 19) and GPS access are not formalized. (Page 20)

See audit report for full details.

Recommendations | The audit report includes 16 recommendations related to strengthening controls over vehicle usage, improving oversight of take-home vehicles and GPS user access monitoring. Detailed recommendations are in the body of the report for each of the findings.

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Table of Contents

- Background..... 1
- Objectives 4
- Conclusions 5
- Findings, Recommendations, and Responses 5
 - Employee Driver License Not Verified as Standard Practice (High Risk) 5
 - Unsafe Driving Behavior Not Being Monitored -One Sampled Driver Had a Poor Driving Score (Medium Risk) 8
 - One Employee Used a County Vehicle for Personal Use - Stops Made by Some Employees Could Not Be Verified (Medium Risk) 10
 - Policies and Procedures for Employees on Leave Are Not Being Followed (Medium Risk).... 11
 - One Department Has No Procedures for Monitoring Take-Home Vehicles (Medium Risk) 13
 - Departments Are Not Notifying Automotive Services of Changes in Vehicle Assignments (Medium Risk) 14
 - Two Employees with Take-Home Vehicle Were Not Current on the Defensive Driving Course Requirement (Medium Risk) 16
 - Employees are Not Following Commuting Usage Policies (Low Risk) 17
 - Automotive Services is not Reviewing Vehicle Utilization (Low Risk)..... 19
 - Separated Employees and Inactive Users Retained Access to the GPS Application (Low Risk) 20
- Appendix A: Audit Scope and Methodology..... 23
- Appendix B: Sampling by Department..... 26

Background

Clark County Automotive Services provides vehicle, equipment and fueling support services to County departments and other local agencies to fulfill the County's mission, vision, and values.

The Department oversees the County's vehicle fleet consisting of 2,769 vehicles.

Most County vehicles are utilized as needed (*for business purposes*) and returned to a centralized location after use. County vehicles are typically used no more than a standard work shift. However, in some cases, employees are assigned 24-hour, take-home vehicles based on operational needs.

Take-home vehicles are typically assigned as follows:

- Employees who need to be available for deployment in emergency situations.
- Employees who are required to be on call and perform on call services with a significant degree of frequency.
- Employees whose work area is not conveniently located to a county vehicle pick up or storage location and for which assignment of a 24-hour vehicle allows for greater work efficiency by making them more accessible to their assigned work area.

A department requesting assignment of a 24-hour vehicle must complete and submit an application to Automotive Services. Automotive Services is responsible for submitting all completed applications to the County's Vehicle Review Committee.

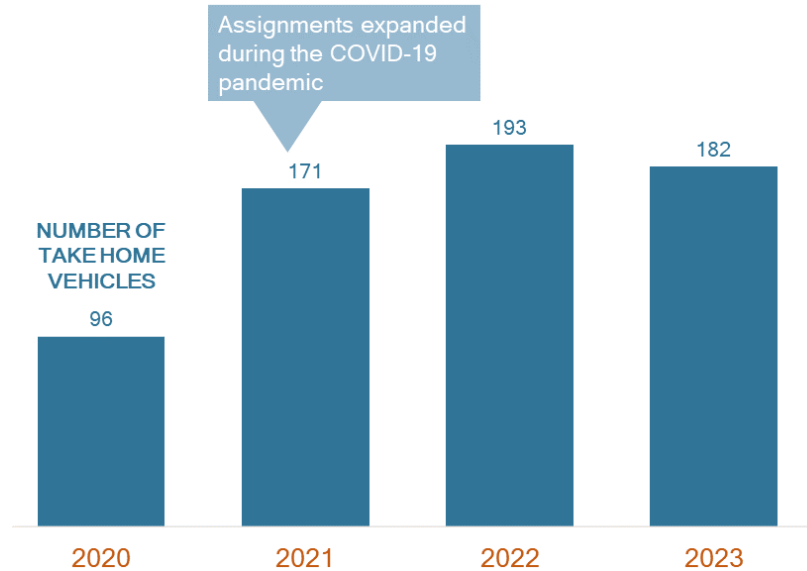
Twenty-four-hour vehicle assignments are renewed annually, and the Vehicle Review Committee is the final approver of 24-hour vehicle applications.

The County provides a fringe benefit to employees who use their take-home vehicles for commuting. Under Internal Revenue Service (IRS) rules, the County accounts for an employee's vehicle commuting use by including the commuting value in the employee's gross income. Currently, the value for commuting is \$1.50 per one-way trip and \$3 per round trip.

In fiscal year 2021, the number of take-home vehicles increased from 96 to 171. This represented a 78% increase in the use of take-home vehicles (*from the prior year*), primarily due to the COVID pandemic. Figure 1

illustrates the total number of 24-hour take-home vehicles for fiscal years 2020 through 2023.

FIGURE 1. Use of Take-Home Vehicles Increased 78% in Fiscal Year 2021



Source: Auditor prepared using vehicle listing information.

For fiscal year 2023, there were 182 take-home vehicles, of which Family Services accounted for 50% of assigned take-home vehicles. Figure 2 provides a breakdown of take-home vehicles by department.

FIGURE 2. Department of Family Services Has the Bulk of Take-Home Vehicle Assignments

Department	Number of Take-Home Vehicles	% Of Total
Family Services	91	50.0
Fire	21	11.5
Administrative Services	20	11.0
Public Works	17	9.3
Aviation	13	7.1
Real Property Management	7	3.8
Coroner's Office	3	1.6
District Attorney's Office	3	1.6
Automotive Services	2	1.1
Information Technology	2	1.1
Mount Charleston Fire	2	1.1
Park Police	1	0.5
Total	182	100.0

Source: Auditor prepared using vehicle listing.

The County's take-home vehicle fleet is specific to each department's needs. The fleet ranges from passenger sedans to utility trucks. Figure 3 illustrates some of those vehicles. Passenger sedans comprise the bulk of the take-home vehicles.

FIGURE 3. The County's Fleet of Take-Home Vehicles is Unique to Departmental Needs



Source: Photographs provided by Automotive Services

The County uses Global Positioning System (GPS) software to manage the vehicle fleet, including the take-home vehicles. The GPS software can track vehicles in real-time, locate vehicles on demand, monitor driving behaviors, schedule maintenance, access vehicle utilization, and create reports.

Although Automotive Services provides administrative oversight of the 24-hour take-home vehicle program, County departments are responsible for monitoring staff to

ensure safe driving behavior and that vehicles are being used only for County business. This is done by departmental liaisons who work closely with Automotive Services. Many liaisons have additional job duties for which they are also responsible.

The County's automotive practices, including GPS, are governed by Administrative Guidelines^{1 2}. These guidelines provide specific policy for:

- Appointing members to the Vehicle Review Committee.
- Use of County and private vehicles for public use.
- Classification and assignment of new and existing vehicles.
- Income revenue tax reporting.
- Out of state travel.
- Vehicle/Equipment procurement.
- Vehicle washing.
- The administration of the GPS system and functionality, and departmental responsibilities.
- Retention of GPS information and transaction logs.

Clark County has a self-insured program for its automobile liability. Vehicle preventative maintenance and repairs are performed through Automotive Services.

With the increase in the number of assigned take-home vehicles, strong oversight and controls are important to ensure proper usage, safe driving, and accountability of public funds.

Objectives

The objectives of this audit were to assess whether:

1. Employees assigned 24-hour vehicles are complying with County guidelines, policies, procedures and applicable state, federal, and local laws/rules/regulations.
2. Employees are exhibiting safe driving behavior and using take-home vehicles for business use.
3. Vehicle usage is monitored.
4. Vehicle usage warrants take-home status.
5. The GPS software is complying with security policies.

¹ Administrative Guideline 6 governs County vehicles. The guideline was established on December 1, 1996, and last updated April 7, 2022.

² Administrative Guideline 15 was established to provide procedures for the utilization of a Global Positioning System (GPS) for County vehicles. It was established on January 18, 2013.

Conclusions

Overall, we found that most departments and employees are meeting program eligibility requirements and criteria for use of 24-hour take-home vehicles. Take-home vehicles are being utilized and properly maintained. Overall, usage is business appropriate with some minor exceptions.

We found that there is no uniform process for verifying employee driver license prior to assigning take-home vehicles. Also, monitoring of improper usage and safe driving behavior can be improved. In addition, departments are not following guidelines related to reporting commuting usage and vehicle assignments.

Lastly, we found some inactive users with the GPS software and IRS fringe benefit reporting processes that could be improved.

Each finding includes a ranking of risk based on the risk assessment that takes into consideration the circumstances of the current condition including compensating controls and the potential impact on reputation and customer confidence, safety and health, finances, productivity, and the possibility of fines or legal penalties.

Items identified as findings and all conclusions and recommendations in this report are the opinion of the Audit Department. Clark County management is responsible for making final determination on implementation of corrective actions.

Auditee responses were not audited, and the auditor expresses no opinion on those responses.

Findings, Recommendations, and Responses

Employee Driver License Not Verified as Standard Practice (High Risk)

Currently, there is no formal process to verify whether an employee, who has been granted a take-home vehicle, has an active driver's license. This includes initial take-home vehicle assignment and assignment renewal. Clark County Directives require employees to have a valid Nevada driver's license.

In prior years, departments would include a photocopy of the employee's driver's license with each 24-hour vehicle application. However, this was discontinued due to Administrative Guideline 20 which classifies driver's license information as confidential.

Clark County Personnel Directive Number 7 - Driver's License Requirement

Employees required to drive as part of their assigned duties, regardless of frequency, must possess and maintain a valid Nevada's driver's license.

We found that some departments do conduct driver's license verification, however we found that processes were not consistent or formalized. Overall, most departments do not verify and/or monitor that employees with take-home vehicles have a valid driver's license.

The County's GPS Software Can Report on Driver License Status. However, This Feature Is Not Being Used.

The GPS tracking software can generate a driver's license expiration report. This report details employees whose license is expired or set to expire within a set parameter (i.e., *1-2 weeks, 1 month or 6 months*). However, Automotive is hesitant in using this function due to the threat of a data breach on the vendor's servers.

GPS Monitoring Software - Bid Solicitation - General Conditions Section 18 Requires Contractor:

Regardless of the coverage provided by an insurance policy, to pay all costs necessary to indemnify, defend, and hold COUNTY harmless from any and all claims, demands, actions, attorney's fees, costs, and expenses based upon or arising out of any acts, omissions, fault, or negligence of **SUCCESSFUL BIDDER.**

Although the application software contract ³ with the vendor includes an indemnity clause, the contract does not address data breaches and system security. While we agree that the County should have practices that ensure data confidentiality, the County uses many third party hosted applications that contain confidential information.

The risk in this area is employees driving without a valid driver license while conducting County business. Should this occur, the County could face legal liability. In addition, driving without a license (or even with an expired or invalid

³ Bid Number 605485-19 GPS Monitoring on Clark County Vehicle Fleet. General Conditions section 18.

license) is a misdemeanor offense punishable by up to six months in jail and up to \$1,000 in fines.

We believe that verifying an employee's driver's license prior to granting a take-home vehicle is prudent.

Recommendation

- 1.1 Automotive Services should implement a process to verify that employees with take-home vehicles have a valid driver's license. Options to consider:
 - a. Management maintains documentation of manual verification of valid driver's license when initial and renewal applications are submitted.
 - b. 24-hour vehicle initial and renewal applications be updated to include employee attestation of having valid driver's license.
 - c. Departments utilize the license expiration field in the driver information screen in GPS to monitor driver's license status.
- 1.2 During the next contract renewal or bid, consult with the County's Information Technology Department to ensure the contract includes details on data breach notification and system security.

Management Response

- 1.1
 - a. Automotive Services will update the 24-hour application forms to have a section on driver license expiration and refer to Clark County Merit Personnel System Personnel Policy VIII Miscellaneous Employment Requirements that requires employees to have a valid Nevada driver license during their employment.
 - b. Automotive Services will update the initial and renewal applications to include the expiration date of the license and require departmental management verification.
 - c. This is available now for the departmental GPS end users to input the expiration date of the assigned drivers in the GPS.
- 1.2 During the next contract on GPS, Automotive Services will work with the County's Information Technology Department to ensure that data breach and system security is identified in the technical specification of the bid.

Unsafe Driving Behavior Not Being Monitored - One Sampled Driver Had a Poor Driving Score (Medium Risk)

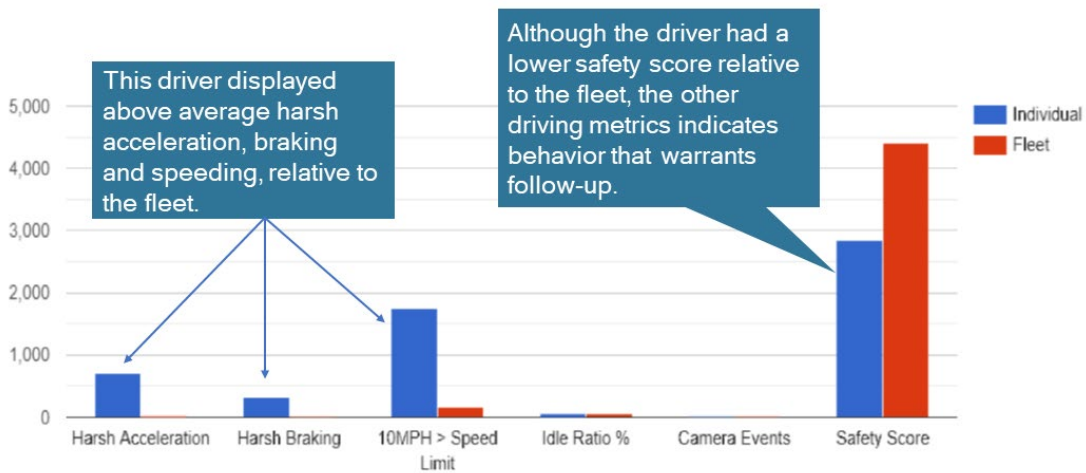
We found that driver scorecards, based on the GPS software’s driver reporting function, are not being monitored by departments. Further, we found one driver that displayed poor driving behavior based on this reporting.

The “driver safety report card” provides a view of the top 10 worst driving offenders based on four driving behavior metrics: harsh acceleration, harsh braking, speeding 10 miles per hour over the posted speed limit and vehicle idle ratio.

The GPS software archives the number of occurrences a vehicle triggers. These values are added together to create a driver safety score and can be compared to the average safety scores for the fleet. In addition, each behavior can be compared against the average for the fleet allowing a quick snapshot of which behavior a vehicle or driver is abusing relative to the fleet.

The score is compiled and reported for 30-, 60- and 90-day time periods. Figure 4 illustrates an example of a driver that displayed speeding, harsh acceleration, and harsh braking higher than the average vehicles in the fleet.

FIGURE 4. Sample Driver Safety Scorecard, Illustrating Possibly Poor Driving



Note: This report is not automatically sent to liaisons. It needs to be periodically pulled by departments.

Source: Auditor work papers.

Driver Report Card Is Not Being Consistently Monitored by the Departments

Liaisons are trained on how to oversee the take-home vehicles assigned to their department (*including how to generate reports from the application*) and instructed to monitor their department's drivers.

However, when surveying departments, we found that there is no consistent monitoring of these 'report cards.' County Administrative Guidelines place responsibility for monitoring on departments.

Lack of monitoring is attributed to departmental liaisons that have concurrent job responsibilities outside of monitoring assigned drivers. Further, Automotive Services does not have the resources to perform continuous monitoring of this reporting.

Although driver report card data is subjective and requires further analysis to rule out false positives, we believe report card data can be useful in identifying vehicles/drivers who may need re-training or review of vehicle operation policies.

One Driver with Take-Home Vehicle Appears to Exhibit Unsafe Driving Behavior

We reviewed driver report cards for 30-, 60-, and 90-day periods. For the three review periods combined, three take-home vehicles were included out of 15 vehicles. Of these three, one vehicle was included in both the 30- and 60-day reports. Because the driver is listed on both report cards (*which reports top 10 offenders*), we believe the driver is likely exhibiting unsafe driving behavior.

Lack of monitoring employee driving behavior could result in the following:

- Employees not being held accountable for non-compliance with County guidelines.

Clark County Administrative Guideline Number 15 - Global Positioning System

Departments shall be responsible for the vehicles assigned to their departments and may include the following:

- a) Monthly usage reports;
- b) Any violations of set parameters; or
- c) Fuel-saving routing work assignments, limit driving assigned work area, limiting idle time, and driving at fuel efficient speed and within the posted speed limit.

There are many different types of reporting in GPS software. Each department may utilize those reports as they see necessary.

- Poor driving going undetected, increasing the risk of a vehicle accident, which could result in a liability to the County and possible injuries.
- Management not being able to address and implement corrective action for unsafe driving behavior in a timely manner.
- Abuse of take-home vehicle going undetected.

Recommendation

- 2.1 Automotive Services should update Department Responsibilities outlined in Administrative Guideline 15 to include departments implementing procedures to monitor take-home vehicle usage and driving behavior. Procedures should include but not be limited to:
- a. Periodically reviewing the vehicle event detail report in the GPS application.
 - b. Utilizing the driver report card in the GPS software as a tool to monitor driving behavior.
 - c. Implementing a process to determine whether take-home vehicle privileges should be suspended for vehicles/drivers listed on multiple driver report cards.

Management Response

- 2.1 Real Property Management will work with County Management to revise section C Department Responsibilities in Administrative Guideline 15 to include departments responsibility for implementation of procedures to monitor take home vehicles usage, driving behavior, and possible suspension of take-home vehicle privileges for violations.

One Employee Used a County Vehicle for Personal Use - Stops Made by Some Employees Could Not Be Verified (Medium Risk)

We found ⁴ one stop made by a Family Services employee during the workday to be inappropriate/unauthorized based on length of stop and location. The department confirmed this was inappropriate. Personal use of County vehicles is prohibited under County Administrative guidelines.

In addition, the Department of Public Works could not provide support from their current work order system for four stops made by two employees (*two stops each*) during work hours. Therefore, we could not assess whether stops made by employees were appropriate.

The Department of Family Services⁵ could not provide documentation for two stops made by two employees (*one*

⁴ We tested nine out of 182 employees with take-home vehicles to determine whether employees were using vehicles after work hours, during off days or for personal use. For additional details on our methodology see Appendix A.

⁵ We reviewed travel activity for 15 out of 418 pool vehicles to assess reasonableness in stops made by employees and to determine if vehicle was used as take-home without authorization. For additional details on our methodology see Appendix A.

stop each) during work hours. These employees separated from the County on 2/13/23 and 2/19/23, respectively. Therefore, we could not assess whether stops made by employees were appropriate.

Department management is responsible for monitoring vehicle usage to ensure employees are using vehicles for business purposes in compliance with County guidelines.

**Clark County
Administrative Guideline
Number 6 - County
Vehicles**

Having inadequate or a lack of controls to monitor employee work activity reduces accountability and could result in non-compliance to County guidelines and improper usage going undetected.

Personal use of County vehicles is prohibited except for de minimis personal use such as a stop for lunch between two (2) business stops.

Recommendation

NOTE: We informed the above department of the questionable driver during our audit.

3.1 Automotive Services should update Department Responsibilities outlined in Administrative Guideline 6 to include departments implementing procedures to monitor employee work activity to ensure stops made during work hours are for County business.

Management Response

3.1 Real Property Management will work with County Management to revise section C General Requirements for Use of County Vehicles paragraph 9 Personal Use in Administrative Guideline 6 to include departments responsibility for implementation of procedures to monitor activity of 24-hour vehicle use for the purpose of ensuring that stops made, other than de minimis, are for County business.

Policies and Procedures for Employees on Leave Are Not Being Followed (Medium Risk)

GPS data showed usage of six vehicles (*out of 21⁶*) assigned to Family Services staff who were on extended leave of absence.

Based on GPS parking data, we believe the vehicles were driven by other employees - which is acceptable based on the department's procedure. However, without any documentation, we could not confirm this. The Family Services Department's policy states:

⁶ We judgmentally selected 17 out of 21 vehicles assigned to employees on extended leave during the review period to determine if employees drove assigned vehicles while on leave. For additional details on our methodology see Appendix A.

"Any Nevada Initial Assessment staff who go on leave for more than 3 consecutive business days must park their county vehicle at their assigned office location and turn the keys into their supervisor until they return."

Additionally, Family Services supervisors are to have the worker complete a trip ticket when using a vehicle assigned to other staff, but they were not enforcing this policy.

Further, the department does not maintain a key log to document when employees turn in keys to supervisors when they go on leave. The department indicated during the audit that they corrected these practices moving forward.

Not enforcing policies and produces results in inconsistencies and reduces accountability. In addition, this could result in improper usage going undetected.

Recommendation

- 4.1 Automotive Services should update Department Responsibilities outlined in Administrative Guideline 6 to include departments implementing policies and procedures for the use of take-home vehicles when an assigned employee is on an extended leave of absence. Procedures should include but not be limited to:
- a. Periodically reviewing policies and procedures with appropriate personnel.
 - b. Implementing a key log to document when employees turn in keys to department management prior to going on leave and implementing a process to monitor compliance.
 - c. Implementing process to monitor compliance with policies and procedures.

Management Response

- 4.1 Real Property Management will work with County Management to revise section 5 - 24 Hour Vehicles paragraph C Department Responsibilities in Administrative Guideline 6 to include departments responsibility for implementation of procedures for 24-hour vehicle employees on extended leave of absence of 14 calendar days or longer. The vehicle should be returned to a County facility with vehicle keys turned in to the department designee. The 24-hour assigned vehicle may be used by other staff during normal assigned working hours.
- a. Departments should periodically review policy and procedures with appropriate personnel at minimum once annually. Automotive Services will work with Risk Management to have an annual Success Factor module specific to 24-hour vehicles added to approved drivers learning assignments.

- b. Departments should implement a secured key cabinet with a key log to document all keys being turned in or taken for use to monitor compliance.
- c. Departments should implement a departmental policy to ensure monitoring compliance. Automotive Services will work with Risk Management to have an annual Success Factor module specific to 24-hour vehicles added to approved drivers learning assignments.

One Department Has No Procedures for Monitoring Take-Home Vehicles (Medium Risk)

During our departmental surveys ⁷ we found that most departments have some form of policies and procedures for monitoring for improper usage of take-home vehicles.

However, the Clark County Fire Department does not have procedures in place to monitor improper usage of take-home vehicles.

The department indicated that take-home vehicles are provided only to personnel that can be called out 24/7 in support of an emergency incident or prolonged emergency event or canine handler. As such, the department does not have monitoring procedures as they feel the risk of improper usage is improbable.

Clark County Administrative Guideline Number 6 - County Vehicles

An employee may not use the vehicle for personal purposes, other than commuting, and de minimis personal use such as a stop for lunch between two (2) business stops.

Not having procedures in place to monitor take-home vehicle usage prevents the department from holding individuals accountable for poor driving behavior, non-compliance with County guidelines, and improper usage.

Recommendation

5.1 Automotive Services should update Department Responsibilities outlined in Administrative Guideline 6 to include departments implementing policies and procedures to monitor for improper usage of take-home vehicles.

Management Response

5.1 Real Property Management will work with County Management to revise section 5 - 24 Hour Vehicles paragraph C Department Responsibilities in Administrative Guideline 6 to include departments responsibility to put a process in place for implementing

⁷ We surveyed eight out of 12 departments with take home vehicles. For additional details on our methodology see Appendix A.

policies and procedures to monitor improper usage of take-home vehicles. Departments will be required to submit their process to Automotive Services 60 days prior to the fiscal year start. Departments not submitting their process will result in application denial from the Vehicle Review Committee.

Departments Are Not Notifying Automotive Services of Changes in Vehicle Assignments (Medium Risk)

We found that County departments with take-home vehicles are not communicating changes in assignments to Automotive Services.

Automotive Services maintains a master listing of take-home vehicle assignments. This listing is used to help manage the fleet.

We compared each departments' internal vehicle logs to the Automotive Services Master Log and found issues with vehicle classifications, unit number assignments, and duplication of unit numbers. Issues are summarized as follows:

Ten Department Pool Vehicles Were Improperly Classified as Take-Home

Vehicle Classifications:

- Eleven units belonged to employees no longer needing a take-home vehicle on both the department and automotive service logs. However, the department indicated that they classified ten of the eleven vehicles as part of their pool fleet.
- The department classified three units as spare, however, the automotive master log indicated that the vehicles were assigned to employees.

Department and Automotive Take-home Vehicle Logs included Four Employees Who No Longer Needed Vehicles

Unit Number Assignments:

- Four units belonged to employees who no longer needed vehicles due to separation or promotion on both the department and automotive logs.
- The department log did not contain the correct unit numbers for four employees with take-home vehicles.
- Unit numbers assigned to four employees were incorrect on automotive log.

Duplicate Unit Numbers:

- One unit was listed twice on both the department and automotive log. Automotive Services removed the employee who no longer needed the vehicle from their total count. However, the department's total number of take-home vehicles was overstated.

Overall, departments are not notifying Automotive Services of changes in vehicles assignments as required by the County's guidelines. Further, some departments use the automotive services log as their internal log and are not making changes/updates to the log to reflect current take-home vehicle assignment and inventory.

**Clark County
Administrative
Guideline Number
6 - County
Vehicles**

Departments must notify the Manager of Automotive Services within five (5) working days of any changes in duty assignment that could affect the 24-hour vehicle eligibility status of an employee.

Not having accurate and current information about county vehicles could result in overstated/understated counts of take-home, spare, and/or pool/fleet vehicle inventories. In addition, not having an accurate record of vehicle assignments reduces the department's ability to properly monitor employees for improper usage which could result in misuse going undetected.

Recommendation

- 6.1 Automotive Services should review Department Responsibilities outlined in Administrative Guideline 6 with departments.
- 6.2 Automotive Services should update Department Responsibilities outlined in Administrative Guideline 6 to include departments implementing a process to ensure that internal logs are updated regularly containing accurate and current information.
- 6.3 Automotive Services establish and implement a process to periodically verify the accuracy of information on the 24-Hour Take-Home Vehicle Master Log.
- 6.4 Automotive Services send periodic reminders to departments to provide updates to the take-home vehicle listing.

Management Response

- 6.1 Automotive Services feels that this is the responsibility of the Department head or designee to train their staff in policies and procedures.
- 6.2 It is correct that various departments have failed to notify Automotive when the status of their 24-hour vehicles change or they have a need for 24-hour vehicles. This by no means is acceptable but it is the Department responsibility to notify Automotive when vehicle assignment changes or the need for a 24-hour vehicle arise. When the annual approval letters are sent to the department heads there is a reminder that they are to notify us in the event of any changes.

Any violation of 6.1 and 6.2 will result in Automotive Services notifying the Deputy County Manager and Department Head of the policy violation.

6.3 / 6.4

Automotive Services on the 1st working day of each month will send an updated list via email of approved drivers and 24-hour vehicles to the fleet coordinator and copy the Comptroller's Office designee. It will be recommended that the department reply to all if any changes have taken place.

Two Employees with Take-Home Vehicle Were Not Current on the Defensive Driving Course Requirement (Medium Risk)

We found two employees (*sampled 15 out of 182 take-home vehicle drivers*⁸) who at the beginning of the audit were not current on defensive driving. These employees subsequently completed training during the audit.

Clark County Administrative Guidelines require employees to take a defensive driving training course within 60 days of hire and a refresher course every two years.

In addition, when submitting the initial application for a take-home vehicle the employee attests to understanding all requirements outlined in Administrative Guideline 6. However, this attestation is not required for the annual renewal application.

Not taking defensive driver training could increase the likelihood of poor driving, thereby increasing the risk of a vehicle accident. This could lead to injury and liability for the County. It could also increase vehicle maintenance costs for the County.

Recommendation

7.1 Automotive Services should:

- a. Update 24-hour vehicle renewal applications to include attestation for meeting defensive driver training requirement.
- b. Implement a process to monitor compliance with training requirement.

Management Response

7.1

- a. Automotive Services will update the initial and renewal applications to include an attestation for meeting defensive driver training requirements.
- b. Real Property Management will work with County Management to revise section C General Requirements for Use of County Vehicles paragraph 4 Defensive Driving Training in Administrative Guideline 6 to include requiring departments to

⁸ In some cases, assigned drivers change due to job promotions, separation, or different job duties.

implement a process to monitor compliance with training requirements.

Departments should implement a departmental policy to ensure monitoring compliance. Automotive Services will work with Risk Management to have an annual Success Factor module specific to 24-hour vehicles added to approved drivers learning assignments.

Any violation of 7.1 will result in notifying the Deputy County Manager that oversees that Department by Automotive Services.

Employees are Not Following Commuting Usage Policies (Low Risk)

The County requires employees to report when they used their take-home vehicle for commuting. This is needed for Internal Revenue Service fringe benefit reporting.

We identified the following issues:

No Standard Usage Verification Form - We found that Automotive Services does not supply departments with the commuting usage verification form.

Departments submit commuting usage on various internally created forms. The lack of a standard form results in variations in how departments report mileage, making it difficult to validate the accuracy of reported usage. During the audit, Automotive Services created a 24-hour vehicle log and made it available to County departments via their website.

Challenges with Due Date Reporting Requirement - The Comptroller's Office does not enforce the due date reporting requirement. In addition, neither the Comptroller's Office nor most departments keep records on when forms are submitted, and most of the forms used by departments do not include a date completed/submitted.

Therefore, we could not assess compliance with the County's due date requirement for three of six employees

Clark County Administrative Guideline Number 6 - County Vehicles

Employees issued a 24-hour vehicle will be required to verify their usage via the verification form supplied by Automotive Services. The verification form must be...turned into the Comptroller's Office no later than the 5th day of each month for the preceding month.

tested⁹. However, for the other three of those six employees, departments submitted the logs between one to three months past the due date because of staff turnover.

One Employee Did Not Report Commuting Usage - One employee did not report any commuting usage, although the GPS system showed the employee commuted.

Departments Lack Processes to Review Commuting Usage - Departments lack processes to review commuting usage for accuracy. Vehicle usage reported by employees on verification logs did not match usage in the GPS system for five (83%) of six employees tested.

Usage ranged from 10 days understated to 22 days overstated. This resulted in calculated benefits for employees being incorrect from an understatement of \$3 to an overstatement of \$68.

Minor Discrepancy in Benefit Calculation Spreadsheet - While verifying employee benefit calculations, we found that one employee listed on the benefit calculation spreadsheet was not assigned to the vehicle listed on the form.

We rated this finding as low risk, because we generally believe that over or understatements of income and tax are immaterial at this time. However, the lack of oversight could allow intentional misuse of the program to accumulate or increase. Further, not reporting usage accurately could result in penalties to the County, as the fringe benefit is not being included in the employee's income and is not taxed.

Recommendation

Automotive Services should:

- 8.1 Update the commute verification usage form to include either the date the employee completed form or sent the form to the Comptroller's Office and make the form available on Automotive's website.
- 8.2 Remind departmental liaisons and the Comptroller's Office of commuting use requirements outlined in Administrative Guideline 6.
- 8.3 Update Income Revenue Tax Reporting requirements in Administrative Guideline 6 to include departments:
 - a. Establishing and implementing a process to verify the accuracy of commuting usage reported, benefit calculation spreadsheets, and ensure that all required employees are reporting usage.

⁹ We tested six employees to ensure commuting usage policies were being followed. For additional details on our methodology see Appendix A.

- b. Implementing a process to monitor compliance with reporting requirements.

Management Response

- 8.1 Automotive Services has updated the commute verification usage form (24-hour mileage log) to include the date that the employee submitted to the Comptroller's Office. Automotive Services has also updated the format of the commute log to include the benefit calculation for Income Tax Reporting. Automotive Services has updated the internal website with the revised form and will include it in the application process as the only acceptable form that can be submitted to the Comptroller's Office.
- 8.2 Automotive Services will conduct a refresher course during the annual submission of applications to the department's vehicle fleet coordinator or designee. Automotive will explain the use requirements outlined in Administrative Guideline 6.
- 8.3 Real Property Management will work with County Management to revise section 5 - 24 Hour Vehicles in Administrative Guideline 6 to include:
 - a. Under paragraph C Department Responsibilities, establishing and implementing a process to verify the accuracy of commuting usage reported, benefit calculation spreadsheets, and ensure that all required employees are reporting usage.
 - b. Under paragraph E Income Revenue Tax Reporting that departments implement a process to monitor compliance with reporting requirements to the Comptroller's Office.

Automotive Services is not Reviewing Vehicle Utilization (Low Risk)

In fiscal year 2020, Automotive Services stopped analyzing vehicle utilization due to the COVID pandemic and has not restarted the review as of the time of the audit. In addition, the Department does not have formal procedures for performing the analysis.

The Department is supposed to analyze vehicle utilization annually to determine if departments are using vehicles within designated thresholds.

If a vehicle is used less than 5,000 miles in a year, Automotive should work with the department to determine whether the vehicle is necessary. Based on this review, under-used vehicles may be reassigned or sold.

In general, procedures for performing organizational processes should be formalized to communicate to employees the specific methods employed to express policies in action in day-to-day operations of the organization.

We rated this a low risk because during our testing we found that take-home vehicles are being properly utilized.

Recommendation

9.1 Automotive Services should:

- a. Document the procedure for analyzing vehicle utilization.
- b. Ensure that annual vehicle utilization analyses are reinstated in fiscal year 2023.

Management Response

9.1

- a. Automotive Service will create and document the procedure for analyzing vehicle utilization.
- b. Automotive Services has reinstated the annual vehicle utilization analysis for fiscal year 2023.

Separated Employees and Inactive Users Retained Access to the GPS Application (Low Risk)

We found the following issues pertaining to the GPS software:

Separated Employees with Access - We reviewed the most recent GPS access listing containing 152 users. We found two retired employees with access to the software. At the time of our review, accounts for retired employees had been active 127 days and 8 days after their retirement date, respectively. Automotive terminated these accounts during the audit.

Inactive Users with Access - We reviewed users' last log in information and found 30 users had not logged into GPS within the past 60 days. Days ranged from 62 to 252 days.

No Formal Policy for Reviewing Access to the Application - The Automotive Services Division does not have a formal policy and procedure for reviewing GPS access. However, they do have informal procedures.

These procedures require the Division to periodically monitor user access by reviewing users' last log in activity. If a user has six months of inactivity, Automotive is to contact the user and terminate the access if they fail to log in within two weeks. In addition, Automotive is to terminate access when notified by the department that an individual no longer needs access or separated from the organization.

The frequency in which the department monitors user access does not comply with the County's Information Technology Directive 1.

GPS Application Password Configuration Does Not Comply with County Security Standards -

We also found that GPS password configuration does not comply with the County's information technology security standards. Although passwords must be at least eight characters in length, other features, including a combination of capital letters, lower case letters, numbers and special characters are not required.

Clark County Technology Directive Number 1 - IT Security on User Accounts

Must be disabled immediately for any individual who is no longer affiliated with the County.

That remain inactive for a period of time exceeding 60 days must be disabled.

That remain inactive for a period of time exceeding 90 days must be deleted.

Further, due to system limitations, users are not prompted to change passwords. Therefore, we could not determine if users are changing passwords every 90 days following the County's Information Technology Directive 1.

Risks Pertaining to These Issues - Not performing user access reviews in alignment with the County's Information Technology Directive 1 puts the County at risk for:

- A terminated employee gaining remote access.
- Segregation of duties issues if an employee moves to a new department but retains system privileges from the previous department.
- Misuse of dormant accounts that are still active.

Failing to change passwords regularly increases the threat of:

- User accounts being compromised.
- Employees gaining unauthorized access.
- System integrity being compromised by passwords that never expire.

Due to user rights in the GPS system being limited to view only for the user's respective department, we consider the above risks to be low with no material impact to the County.

Recommendation

10.1 Automotive Services should establish formal policies and procedures for reviewing user access to comply with the County's IT Security Policy and implement a process to monitor compliance.

Management Response

10.1 Automotive Services will establish formal policies and procedures for reviewing and monitoring user access to include:

- a. Verify employment status monthly and remove access from separated employees.
- b. Verify Department/Division need for each GPS User quarterly and modify or remove access based on department needs.
- c. Ensure the next GPS contact bid specifications outline and comply with Information Technology Directive 1.

Appendix A: Audit Scope and Methodology

Scope

We conducted this audit at the request of County Management. Our procedures considered the period of July 1, 2021, through December 31, 2022. The last day of fieldwork was June 5, 2023.

Methodology

To accomplish our objective, we conducted a preliminary survey that included reviewing applicable policies, procedures, and statutes. We also interviewed management and surveyed departments to obtain an understanding of the take-home vehicle process and how departments monitor employees for improper usage. In addition, we reviewed vehicle travel history using the County's GPS software. Lastly, we gathered audit evidence and performed detailed testing and analysis to conclude on the objectives of the audit.

Based on the risks identified during our preliminary survey, discussions with management and survey results, we developed an audit program. We performed the following testing procedures:

- Verified the existence, storage and dissemination of policies and procedures governing take-home vehicles.
- Examined documentation for 15 (*out of 182*) judgmentally selected employees assigned take-home vehicles to verify that employees met criteria for having a 24-hour vehicle.
- Used professional judgment and selected six (*out of 182*) employees with take-home vehicles to verify commuting use was reported, properly calculated, and submitted timely, in compliance with Internal Revenue Service income revenue tax reporting requirements.
- Judgmentally selected 15 (*out of 182*) take-home vehicles and reviewed GPS data to verify that vehicles are being parked in designated areas after work hours.

- Reviewed questionnaire responses from eight (*out of 12*) judgmentally selected departments and examined documentation to determine whether departments are performing reasonable oversight of employees with take-home vehicles.
- Performed physical inspection of 36 (*out of 182*) judgmentally selected take-home vehicles to confirm that vehicles are in recorded location, in good condition, and with County decal and markings intact.
- Used professional judgment to select 15 (*out of 182*) employees and reviewed GPS data to determine if employees are exhibiting unsafe driving behaviors on a frequent basis.
- Examined documentation for 15 (*out of 182*) judgmentally selected take-home vehicles to verify that vehicles are being maintained in compliance with Automotive Services preventative maintenance schedule.
- Judgmentally selected 10 (*out of 182*) employees and used SAP to identify employee work schedule and absences. We obtained the employees clock-in and clock-out times and reviewed GPS data to determine whether employees are using take-home vehicles during off days, after work hours, or for personal use during work hours.
- Utilized GPS data to determine whether 15 (*out of 182*) judgmentally selected employees traveled outside of Clark County or Nevada without a business need.
- Used SAP to determine whether employees with take-home vehicles received mileage reimbursement for the same period the employee reported commuting usage.
- Judgmentally selected 15 (*out of 418*) general pool/fleet vehicles and reviewed GPS data to determine if vehicles are being used as take-home without authority.
- Used SAP to identify employees on leave greater than 14 days. Reviewed GPS data to determine if employees on leave drove the take-home vehicle while on extended leave without justification.

- Judgmentally selected 25 (*out of 182*) take-home vehicles and reviewed vehicle utilization data to determine whether take-home vehicles are being used enough to warrant take-home status.
- Reviewed GPS application security controls to determine whether password parameters, user access management and user permissions are in accordance with the County's Information Technology Directives.

While some samples selected were not statistically relevant, we believe they are sufficient to provide findings for the population as a whole.

Our review included an assessment of internal controls in the audited areas. Any significant findings related to internal control are included in the detailed results.

We conducted this performance audit in accordance with generally accepted government auditing standards (GAGAS). Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. Our department is independent per the GAGAS requirements for internal auditors.

Appendix B: Sampling by Department

The following tables illustrate our sample size for the various testing done for this engagement. We used professional judgement to select our samples.

Table 1. Number of Departments Selected for Program Administration and Safe Driving Testing

Department	Number of Take-Home Vehicles	Department Surveyed? ⁽¹⁾	Number of Employees Selected for Verification ⁽²⁾	Number Of Employees Selected for Speeding & Harsh Braking Review ⁽³⁾
Family Services	91	Yes	4	4
Fire	21	Yes	2	2
Administrative Services	20	Yes	3	2
Public Works	17	Yes	2	2
Aviation	13	No	-	-
Real Property Management	7	Yes	2	2
Coroner's Office	3	Yes	1	1
District Attorney's Office	3	Yes	-	1
Automotive Services	2	Yes	1	1
Information Technology	2	No	-	-
Mount Charleston Fire	2	No	-	-
Park Police	1	No	-	-
Total	182	8	15	15

⁽¹⁾ Departments were surveyed to measure level of take-home vehicle oversight.

⁽²⁾ The following was verified:

1. The employee is current on defensive driving and was current at the time the vehicle was assigned.
2. The employee has a valid driver's license.
3. The employee is a full-time employee.
4. The employee was not a probationary employee at the time of assignment.
5. The employee acknowledged the program requirements by signing the requirement documentation.
6. The employee is marked as the designated vehicle driver in the GPS software.
7. The employee's authorization for a take home vehicle is current.

⁽³⁾ Speeding is defined as traveling over 80 miles per hour.

Table 2. Number of Vehicles Selected to Verify Parked Location, Vehicle Condition and Adherence to Preventative Maintenance Schedule

Department	Number of Take-Home Vehicles	Number Of Vehicles' Parked Location Tested ⁽¹⁾	Number of Vehicles Selected to Verify Location & Exterior Condition ⁽²⁾	Number of Vehicles Selected to Verify Maintenance ⁽³⁾
Family Services	91	4	16	4
Fire	21	2	6	3
Administrative Services	20	2	3	3
Public Works	17	3	4	3
Aviation	13	-	-	-
Real Property Management	7	1	4	1
Coroner's Office	3	-	3	1
District Attorney's Office	3	1	-	-
Automotive Services	2	1	-	-
Information Technology	2	-	-	-
Mount Charleston Fire	2	-	-	-
Park Police	1	-	-	-
Total	182	15	36	15

⁽¹⁾ We traced the vehicle's parked location and used professional judgement to select five business days within the audit period. We reviewed the parked location to determine whether the vehicle was at residential location or county facility.

⁽²⁾ We verified that:

1. County decal was intact/visible.
2. Vehicle showed no exterior damage.
3. Vehicle did not have flat tire(s).
4. Vehicle did not have cracked windshield.
5. Vehicle was not excessively dirty.

⁽³⁾ We review documentation to verify the following:

1. Maintenance is being performed regularly.
2. GPS inspection is performed at time of service.
3. A vehicle safety inspection was performed, and any necessary repairs were done.
4. An annual emissions test was performed.
5. Automotive services followed up on any noted abuse or damage to the vehicle.

Table 3. Number of Employees Selected for Improper Usage Testing

Department	Number of Take-Home Vehicles	Number Of Drivers Selected to Review for Improper Usage ⁽¹⁾	Number Of Drivers Selected to Review for Out of Region Driving ⁽²⁾	Number of Drivers on Extended Leave During the Audit Period ⁽³⁾	Number of Drivers Selected for Additional Review ⁽⁴⁾
Family Services	91	2	5	10	8
Fire	21	1	3	2	1
Administrative Services	20	2	1	6	5
Public Works	17	2	3	3	3
Aviation	13	-	-	-	-
Real Property Management	7	1	1	-	-
Coroner's Office	3	1	-	-	-
District Attorney's Office	3	-	1	-	-
Automotive Services	2	1	1	-	-
Information Technology	2	-	-	-	-
Mount Charleston Fire	2	-	-	-	-
Park Police	1	-	-	-	-
Total	182	10	15	21	17

⁽¹⁾ We used professional judgement to select four consecutive pay periods. We reviewed for unauthorized usage during off days, off hours, vacation days off, sick days off and reviewed for personal usage during work hours.

⁽²⁾ We considered travel outside of Clark County and Nevada as out of region. There are some instances where employees working in rural Clark County may have a need to travel out of the County - this was accounted for during our testing.

⁽³⁾ We identified 21 employees with take home vehicles that were on leave greater than 14 consecutive days during the audit period. Extended leave included family medical leave, military leave, leave without pay, and workers compensation leave.

⁽⁴⁾ We reviewed GPS vehicle data to determine whether employees drove take home vehicles while on extended leave.

Table 4. Number of Motor Pool Vehicles Selected for Take Home Usage Testing

Department	Number of Vehicles in Department's Motor Pool	# Of Vehicles Selected for Review ⁽¹⁾
Family Services	173	4
Fire	133	2
Automotive Services	53	2
District Attorney	46	2
Coroner	9	2
Administrative Services	3	2

Public Works	1	1
Total	418	15

⁽¹⁾ We judgmentally selected a 2-week period and used GPS data to test whether the department was using their general motor pool vehicles as take-home vehicles and/or for personal use. This was achieved by reviewing vehicle travel history and comparing with employee work schedule, work location and reasonableness of stops made.

Table 5. Number of Vehicles Selected for Utilization Analysis

Department	Number of Take-Home Vehicles	# Of Vehicles Reviewed ⁽¹⁾
Family Services	91	8
Fire	21	3
Administrative Services	20	3
Public Works	17	3
Aviation	13	-
Real Property Management	7	3
Coroner's Office	3	2
District Attorney's Office	3	1
Automotive Services	2	2
Information Technology	2	-
Mount Charleston Fire	2	-
Park Police	1	-
Total	182	25

⁽¹⁾ We reviewed logged mileage for the period of July 2022 through December 2022. We used professional judgement to determine if the mileage traveled justified the use of the take home vehicle.

Table 6. Internal Revenue Service Fringe Benefit Testing

Department	Number of Take-Home Vehicles	Number of Employees Selected ⁽¹⁾
Family Services	91	4
Fire	21	-
Administrative Services	20	-
Public Works	17	3
Aviation	13	-
Real Property Management	7	1
Coroner's Office	3	-
District Attorney's Office	3	-
Automotive Services	2	-
Information Technology	2	-

Mount Charleston Fire	2	-
Park Police	1	-
Total	182	6

⁽¹⁾ The following was verified:

1. Employee/Department submitted commuting usage form by the 5th of the following month.
2. Reported usage was in agreement with actual usage, per GPS records.
3. Fringe benefit was calculated correctly and reported in SAP.