

ASSESSMENT OF INTERNAL CONTROLS AND PROCEDURES

Vehicle Fleet Operations

Internal Audit Report

County of Yolo, California

Submitted By

Eide Bailly LLP

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Executive Summary

Eide Bailly LLP (“We”, or “Our”) performed an independent assessment of the vehicle fleet operations of the Yolo County (“County”) for the period from April 1, 2021 to March 31, 2022. This review was focused primarily on the operational aspects of the fleet rather than the financial reporting records. Eide Bailly’s procedures were designed to address procedures outlined in the program approved by the County to assess the internal controls over the management of fiscal resources and evaluate maintenance costs, vehicle utilization, and general operations to determine if adequate controls were in place to ensure an efficient and cost-effective vehicle fleet. The procedures described in this report were performed in May and June of 2022.

Our assessment of the business processes, identification of internal controls/weaknesses, and the associated recommendations were developed based on the review of the County’s written policies and procedures (P&Ps), telephone and video conference interviews of key personnel of Fleet Services, as well as detailed testing for sampled assets or related records of the vehicle fleet. The key personnel interviewed included the Fleet Superintendent, the Chief Fiscal Admin Officer, and the Senior Accountant Technician. We also corresponded with the Risk Manager of the County.

Overview of the Vehicle Fleet Operations

The vehicle fleet of Yolo County is administered by Fleet Services which functions within the Public Works division of the County’s Community Services Department. Fleet Services is overseen by the Fleet Superintendent and the directors of the Public Works Division and Community Services Department. The highest level of authority for Fleet Services is the Board of Supervisors, comprised of 5 elected officials, who review and approve the annual financial budget including the procurement of vehicle fleet assets. The County Administrator’s Office prepares the annual budget with the Department of Financial Services, which is presented and approved by the Board of Supervisors.

Fleet Services is an “internal service fund” of the County and per the County’s approved budget, Fleet Services assumes administrative duties to ensure all vehicles are properly reported, managed, and maintained. Fleet Services is also the central point of contact and regulatory interface for vehicle and equipment emissions/environmental compliance; including assuming responsibility as the County’s Responsible Official Affirmation of Reporting, with authority to remove non-compliant equipment from service.

Fleet provides basic information available to Departments with which they can improve their vehicles use, condition and reliability as well as reduce costs and environmental impact. Fleet offers input pertaining to new technology, driver training, and specific vehicle outfitting; as well as vehicle utilization to minimize vehicle purchase, maintenance, and repair costs.

Fleet Services is comprised of approximately 3 Full Time Equivalent staff (“FTE’s”) and 1-2 FTE’s for admin staff; total of approximately 4.5-5 FTE’s.

Key IT Systems:

- CAMS Cost Accounting Management System - A large number of County Public Works Departments use the CAMS system. It is used to track, inventory, and process maintenance requests of the fleet. CAMS is a fully integrated, multi-module cost and project accounting system specifically designed for Public Works/Road Departments to assist with managing all financial and operational aspects of Fleet Services.
- Lawson (Infor) ERP Software - Lawson is used by Yolo County for its accounting and financial reporting. Lawson is a robust ERP software platform that provides GL, accounting, and financial statement functionality as well as modules for other related tasks like AR, AP, Inventory, and Payroll services.

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County Fleet: As of the time of this assessment; the fleet was comprised of approximately 580 units including 434 vehicles and 146 units of equipment with an approximate historical purchase price of \$18.1M and a calculated net book value of approximate \$4M. See table 1 below for details.

Table 1

Asset Type	Qty	Historical Purchase Price	*Approx. Net Book Value (5 year useful life)
Vehicles	434	\$ 16,422,347	\$ 3,562,160
Equipment	146	\$ 1,671,410	\$ 482,819
Total	580	\$ 18,093,757	\$ 4,044,979

*Disclosure: The calculation of net book value was based on a 5 year useful life. Some of the larger assets may have a longer useful life; however, for purposes of this calculation a 5 year useful life was assigned to all of the assets within the Fleet Services asset listing. The calculation was also based on the year of the vehicle as noted on the Fleet Services asset listing. This is an approximate calculation of the fleet’s NBV and does not come from the audited financial statement of the County.

The process for purchasing new vehicles follows the County-Wide Procurement Policy. Various departments throughout the County hold vehicles such as the Sheriff’s department, PPW Roads and Engineering, District Attorney’s Office, Probation Services, Mental Health Services and Department of Child Support Services.

Functional categories of fleet vehicles and equipment by department include (this is not a comprehensive list):

Sheriff’s Office:

- Patrol vehicles
- Full Size SUV vehicles and Trucks
- Detention, Animal Services, and Coroner vehicles
- Off-road: ATV’s & Boats

Probation:

- Sedans - Cops JUV Justice and service units
- SUV’s - Detention service units
- Trailers

Public Works:

- Light vehicles (e.g., cars, ½ ton trucks, vans, SUVs)
- Medium vehicles (e.g., utility trucks, crew trucks, flat-bed trucks)
- Heavy vehicles (e.g., tractor trailer trucks, semi-trucks, dump trucks)
- Sweeper
- Specialty equipment (e.g., road maintenance equipment, liquid asphalt distributors, forklifts)
- Trailers

Public Works heavy equipment:

- Loader/Skid steer loader
- Backhoe loader
- Compactors (definition: A compactor is a machine or mechanism used to reduce the size of material such as waste material or bio-mass through compaction)
- Vibratory roller (definition: A vibratory roller is a compactor having a drum* (roll or horizontal cylinder) used to densify (compact) soil, asphalt, or other materials through the application of combined static and dynamic forces (weight and vibrations) to increase the load-bearing capacity of the surface.)
- General implement tractors

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Table 2 - Below shows an approximate allocation of all vehicles and equipment in the fleet by department as of the time of this assessment.

Vehicles and Equipment by Department:

Qty	Qty Subtotal	Departments or Assigned Location	%	Percentage Subtotal
12		ADMH-MENTAL HEALTH - (MHSA)	2.1%	
31		AGRICULTURE	5.3%	
2		ASSESSOR	0.3%	
6		CANNABIS	1.0%	
15		DEPARTMENT OF CHILD AND SOCIAL SERVICES - (DCSS)	2.6%	
16		DEPARTMENT OF EMPLOYMENT AND SOCIAL SERVICES - (DESS)	2.8%	
1		DEPARTMENT OF FINANCIAL SERVICES - COURIER (DFS)	0.2%	
26		DISTRICT ATTORNEY	4.5%	
3		EMERGENCY MEDICAL SERVICES - (EMS)	0.5%	
1		EMERGENCY PREPAREDNESS	0.2%	
1		ENVIRONMENTAL HEALTH	0.2%	
3		FLEET SERVICES	0.5%	
31		GENERAL SERVICES DEPARTMENT	5.3%	
62		HEALTH AND HUMAN SERVICES - (CAR POOL)	10.7%	
4		INFORMATION TECHNOLOGY/TELCOM	0.7%	
1		LIBRARY	0.2%	
3		OFFICE OF EMERGENCY SERVICES	0.5%	
12		OTHER DEPARTMENTS	2.1%	
2		PUBLIC ASSISTANCE	0.3%	
6		PUBLIC DEFENDER	1.0%	
8		PW - DEPARTMENT INTEGRATED WASTE MANAGEMENT	1.4%	
6		PW - ENGINEERING	1.0%	
15		PW - ENVIRONMENTAL HLTH	2.6%	
8		PW - LANDFILL	1.4%	
24		PW - PARKS AND RESOURCES	4.1%	
85		PW - ROADS MAINT	14.7%	
22		PW - SANITATION	3.8%	
	168	SUBTOTAL - PW		29.0%
14		SHERIFF - ANIMAL SERVICES	2.4%	
22		SHERIFF - BOAT PATROL	3.8%	
1		SHERIFF - CIVIL	0.2%	
4		SHERIFF - CORONER	0.7%	
17		SHERIFF - DETENTION	2.9%	
7		SHERIFF - MANAGEMENT	1.2%	
15		SHERIFF - OTHER	2.6%	
45		SHERIFF - PATROL	7.8%	
49		SHERIFF - PROBATION	8.4%	
	174	SUBTOTAL - SHERIFF		30.0%
580		TOTAL - VEHICLES AND EQUIPMENT	100.0%	

Objective & Scope

The objective of this project was to obtain an understanding of the business processes and procedures of the County's vehicle fleet service operations in order to identify and assess the internal controls and processes to ensure the fleet is operating efficiently and effectively. In order to accomplish the objective, we designed and organized our procedures by the following five functional areas of the fleet operations for its primary process components as given below:

1. Inventory Management

- Purchase, transfer, and sale of the vehicles and equipment
- Tracking mechanism for vehicles and equipment
- Inventory observations for parts
- General accounting processes related to inventory management
- Replacement vehicle process

2. Maintenance Services

- General internal processes and procedures
- Procedures for preventative maintenance, in-house repair services, and outsourced services.
- Work order handling and internal billing for maintenance costs
- Analysis of the department's admin fees process

3. Vehicle Use

- Vehicle usage monitoring and tracking
- Re-assignment of low usage vehicles
- Fuel consumption and mileage monitoring and accounting for fuel cost
- Driving safety guidelines, vehicle use standards, and fleet safety performance
- Fleet credit cards, (e.g. Fuel Cards – Voyager)

4. Security

- Fleet management software – appropriate user access, roles, and responsibilities
- Facility access badges
- Security measures to prevent theft and vandalism

5. Compliance

- Driver / operator license information, requirements, limitations
- Training for drivers / operators. Tracking and documentation of completed trainings
- Vehicle and equipment insurance policies and coverage
- Board's budget principle of a Green Fleet.

Internal Controls

The following internal controls, (“IC”) were identified during the assessment:

Inventory Management Controls:

- IC1. Collaborating with other departments:** Fleet Services works with Department Heads to identify vehicles that need to be replaced or re-assigned during the budget process and throughout the year. Departments are encouraged to check with fleet Services for availability of a vehicle from the garage pool or another County department and consider paying mileage in lieu of purchasing a new vehicle and incurring long-term repair and maintenance costs.
- IC2. Authorization by the Department Head and approval from the County Administrators Office are needed to purchase a new vehicle or equipment:** After it has been determined that the purchase is appropriate and cost-effective in providing the required services, purchase requests for vehicles must be authorized by the Department Head and approved by the County Administrator’s Office.
- IC3. Separation of duties:** County departments do not have access to CAMS; only Fleet Services department staff has access to CAMS. Fleet Services staff does not have access to the accounting records within Lawson.
- IC4. Official forms and documentation for transfers and surplus:** Signed transfer and surplus forms, a joint Fleet Services/Department and Purchasing/DFS effort, are sent to DFS and the Department the vehicle is assigned. DFS sends out asset listings from Lawson for all Department Heads to review and update as needed at the end of the year.
- IC5. Vehicle numbers for tracking:** Fleet Services assigns a number for tracking to each vehicle. Vehicles are also assigned a separate asset and tag number by Purchasing and DFS. Fleet Services will send to DFS the vehicle number they assigned along with other identifying information as applicable (VIN, license plate number, transfers and surplus information) and DFS will include the Fleet’s vehicle number in the tag number.
- IC6. Official Procurement Policy in Writing:** The County has an official “Principles of Procurement” policy, which both departments and Fleet Services follows for their own purchases. The Procurement Division of the DFS provides support, assistances, and oversight regarding purchasing decisions. The Procurement Division is responsible for coordination of solicitations for goods and supplies costing \$5,000 or more. Departments are generally responsible for the coordination of solicitation for services at any amount, and for goods and supplies costing less than \$5,000.

Maintenance Services Controls:

- IC7. Fleet Services will try to regularly service vehicles:** Fleet Services will try to service vehicles approximately every 6 months or twice per year. Maintenance on equipment will vary. The Superintendent will coordinate maintenance activities with other departments.
- IC8. Department Admin Fees are budgeted each year:** Each year, Fleet Services prepares a total, estimated annual overhead charge for the upcoming year as part of the budgeting process. Once the total overhead charge is developed, it is allocated to each department/accounting unit. The allocation is based on the prior year’s actual repair orders by department, (in relation to repair orders for all departments as a whole).

Vehicle Use Controls:

- IC9. Fuel Usage reports are processed from the CAMS system:** These reports can be ran monthly or more frequently based on the report criteria. They show the fuel card number the fuel was charged to and the detailed information such as; the date the fuel was purchased, the number of gallons purchased, and fuel type “Unleaded/Diesel/Other type” purchased, and the total dollar amount of the gas purchase.
- IC10. Low mileage vehicles are reviewed during the budget process with departments:** During the annual review at budget time, around the month of February, Fleet Services will highlight each department’s low use vehicles, which are those with less than 400 miles/month average over the previous year.

Security Controls:

- IC11. Appropriate user access rights to CAMS:** Employees with user access to the CAMS Fleet Module have appropriate access based on their roles.
- IC12. Removal of user access rights to CAMS is done in a timely fashion after termination:** Controls appear to be in place to ensure that user access to CAMS Fleet Module is removed in a timely fashion after termination.

Compliance Controls:

- IC13. A Commercial Driver’s License (“CDL”) is required for PW road maintenance staff that use heavy vehicles:** PW Roads maintenance staff must have a CDL to advance above Assistant Roads Worker and Assistant Road Workers are not allowed to drive vehicles requiring CDL. Vehicles and equipment requiring a CDL are not part of the common pool of County vehicles.
- IC14. Department Heads and the Risk Manager work together to track and monitor CDL’s:** First, the Department Heads or supervisors are responsible to ensure that only employees with CDL’s can operate vehicles that require a CDL. Second, the Risk Manager (“RM”) will confirm that all intended operators have current and valid CDL to operate.
- IC15. Notices of CDL renewals are sent to the Risk Manager from the DMV:** The Department of Motor Vehicles, (“DMV”) will also send out notice to RM when employee’s CDL needs renewing or is suspended. In addition, Yolo County Public Agency Risk Management Insurance Authority (“YCPARMIA”) will run annual checks to ensure an employee’s CDL is valid.
- IC16. Pre-employment drug and alcohol tests performed for CDL drivers:** During the pre-employment of a potential CDL driver, drug and alcohol tests are performed. HR will coordinate the test during the hiring process.
- IC17. Current CDL drivers are subject to random drug and alcohol tests:** Quarterly, YCPARMIA will send a list of employees with CDL that will need tests and the tests are due back to YCPARMIA within approximately 3 months once the names are issued.
- IC18. The DOT Clearinghouse is used to check CDL drivers for possible drug and alcohol violations:** RM will conduct a query annually and upon hire of the Department of Transportation, (“DOT”) Clearinghouse for CDL drivers, for drug and alcohol violations.
- IC19. The Risk Manager will receive an annual report from the DMV listing all CDL drivers that are in need of a physical exam, which is required every two years:** DMV sends out an annual report to the Risk Manager for all CDL employees with info about when physical exams are due. The Risk Manager will maintain these records for compliance purposes and notify departments if there are any exam related issues. HR will schedule the physical examinations with the employee.

Assessment Procedures

For the five functional areas, we reviewed the existing P&Ps related to vehicle fleet operations and performed virtual process walkthroughs with key personnel of Fleet Services to gain an understanding of business processes in all of the five functional areas and identified internal controls for independent evaluation as well as assessed them against the established P&Ps. As a result, we created process narratives describing the processes and procedures in each functional area. The accuracy and completeness of the process narratives were also reviewed by the Fleet Superintendent and the Chief Fiscal Admin Officer. Eide Bailly retained the process narratives for our internal records to support this report.

In addition, we designed and performed the following procedures specifically for each of the five functional areas as well as a high-level overview:

High-Level Overview of Fleet Services

1. The high-level overview involved obtaining and identifying official approved policies and procedures in writing related to Fleet Services, interviewing key stakeholders, and researching benchmark statistics for criteria related to the County and Fleet Service procedures.

The benchmarking statistics are available at the following website:

<https://www.government-fleet.com/operations/10151456/2021-benchmarking-statistics>

Inventory Management

2. Reviewed the County's Procurement Policy and Vehicle Purchases Criteria within the Vehicle Policy document. Then performed virtual walkthroughs of the processes related to procurement, tracking, and accounting for vehicles, equipment, and auto-parts. This included any identified as out-of-services or considered obsolete.
 - a) Eide Bailly noted that a County-wide inventory has never been performed over vehicles and equipment. Instead, individual departments will review and certify asset listings provided by DFS annually to update and reconcile asset listings in Lawson/Infor. As such, it is difficult to determine that the assets included in the CAMS inventory listing utilized by Fleet Services exist, and that the CAMS listing is complete and accurate, as a County-wide inventory has not been conducted and reconciled to CAMS. See the control weaknesses identified and recommendations section of inventory management for more detail.
 - b) Eide Bailly noted that there is no reconciliation performed or interface between CAMS and Lawson (Infor). There is neither a manual reconciliation nor an electronic interface between the two systems. This makes it difficult to determine if the information in the CAMS for inventory and maintenance purposes matches the information in Lawson/Infor for accounting and financial reporting purposes. See the control weaknesses identified and recommendations section of inventory management for more detail.

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3. Reviewed a sample of vehicles and equipment that were *purchased, transferred, sold, auctioned, wrecked, made surplus, or made inactive* to ensure approvals were obtained and vehicles were added and removed in CAMS according to Policies and Procedures. Specifically, we tested purchases, transfers, sales, surplus, and inactive vehicles and equipment during the period April 1, 2021 thru March 31, 2022. We also tested vehicles that were in “wrecked” status within CAMS.

Table 3 - The population and sample sizes for testing are noted below:

Description	Population	Sample Size
Vehicles/Fleet sold during period	23	5
Vehicles/Fleet purchased during period	19	5
Vehicles/Fleet transferred during period	68	10
Vehicles/Fleet that went into "Inactive" status during period	4	2
Surplus	12	3
Wrecked	3	3
Auction	1	1

We performed the following procedures:

- a) Purchased: Inspected vehicle requests or acquisition forms, purchase invoices, and other documents to verify the approval of the purchase and accuracy of the addition.
- b) Transferred: Inspected the underlying transfer request forms to ensure the transfer was authorized and accurate.
- c) Sold and Auctioned: Inspected auction settlement statements, other sales forms, check copies, and approved asset disposal forms to verify approval and accuracy.
- d) Surplus, Inactive, and Wrecked: Inspected documentation and approval forms available indicating that the vehicle or equipment was transferred to surplus status, made inactive, or disposed of due to a wreck.

Controls appeared to be in place and no concerns were noted during this testing procedure.

4. Requested the most recent count sheets for auto-parts to verify that the physical inventory was actually performed by Fleet Services and to verify discrepancies found between the physical inventory and the CAMS system.
 - a) It was noted that official count sheets were not used or retained for the inventory of auto-parts. Therefore, we will make a recommendation to use and retain official count sheets for the inventory of auto-parts. See the control weaknesses identified and recommendations section of inventory management for more details.

Maintenance Services

5. Requested any official Policies and Procedures in writing related to maintenance services performed in-house and outsourced. Then performed virtual walkthroughs of the processes related to maintenance services in order to evaluate those processes against established Policies and Procedures.
 - a) Eide Bailly noted a lack of official approved Policies and Procedures in writing over specific maintenance and repair procedures performed in-house and outsourced. Eide Bailly requested more specific policies and procedures in writing for maintenance, repair operations, and inspections. Also requested an official list of maintenance and repairs performed in-house and those that are outsourced. Fleet Services was not able to provide either. Fleet Services instead will regularly review manufacturer recommendation concerning vehicles service requirements, as well as vehicle histories to predict what service is or will soon be needed. Therefore, there appears to be a lack of official policies in writing regarding what/when maintenance and repair services are to be performed. See the control weaknesses identified and recommendations section of maintenance services for more details.
 - b) In addition, Fleet Services relies heavily on the Fleet Superintendent to coordinate maintenance and repairs. While the Fleet Superintendent, has an impressive 14 years of experience; if the Superintendent was to separate from the County, it would create a significant “knowledge gap” within Fleet Services that would be further exasperated by not having any specific official policies and procedures in writing for Fleet Service staff to follow with regards to maintenance and repair procedures. See the control weaknesses identified and recommendations section of maintenance services for more details.
 - c) Eide Bailly also noted that the last approved official Vehicle Policy in writing was dated in 2013, nearly 10 years ago. Therefore, Eide Bailly will make a recommendation to have a reviewed and updated official approved Vehicle Policy in writing.
6. Obtained and reviewed a sample of work orders to determine if internal billing procedures followed established guidelines and to verify that maintenance procedures were performed. The scope of the period tested was from April 1, 2021 thru March 31, 2022. The work orders were non-statistically sample tested from a population 1,031 work orders and a sample size of 20 work orders, which were haphazardly selected using professional judgement. Eide Bailly tested labor charges, outsourced services, and regular auto-part charges related to the work order. The supporting documents included time-card distribution reports from CAMS, invoices from outsourced automotive vendors, and auto-parts requestion forms. Controls appeared to be in place and no concerns were noted during this testing procedure.
7. Performed an analysis of the department’s admin overhead fees charged to vehicles to ensure they are reasonable.
 - a) Fleet Services charges County Departments a “Fleet Administrative Overhead Charge” to recoup remaining costs other than Fuel and Maintenance, which are direct charged to each department. The Overhead charge is recorded on a quarterly basis in Lawson/Infor within account 501252 in each Department’s Fund. In FY 2022, the charge expense is now recorded in account 501253 within each Department’s Fund.

Once the overhead charge is allocated to each department, one fourth of the charge is posted as an expense in each Department’s Fund and recorded as Revenue in the Fleet Fund, (403799 account). The Fleet administrative Overhead Charge is a budgeted/estimated charge that gets pushed out to the Departments. The total summary of overhead charges by department is included in the County’s “Budget Instructions” which is provided to each department to assist in developing the budget for the upcoming fiscal year.
 - b) We prepared an analytic to test the reasonableness of the department’s admin overhead fees. The scope from April 1, 2021 thru March 31, 2022 was used for this analytic testing, which covered FY Q4 of 2021, (Period from April 1, 2021 thru June 30, 2021) FY Q1 of 2022, (Period from July 1, 2021 thru September 30, 2021) FY Q2 of 2022, (Period from October 1, 2021 thru December 31, 2021) and FY Q3 of 2022, (Period from January 1, 2022 thru March 31, 2022). The analytic involved Eide Bailly recalculating and reviewing total annual Overhead Charge for Fleet Services and the allocation and recording of the Overhead Charge to departments. The charges appeared reasonable based on Eide Bailly’s recalculation and review of the charges.

Vehicle Use

8. Reviewed the Vehicle Use Procedures, Safety Procedures, and Accident and Liability Guidelines within the official Vehicle Policy to gain an understanding of safety guidelines and vehicle use standards.
9. Obtained and reviewed vehicle usage reports to determine if “Low Usage Vehicles” were reassigned as needed.
 - a) First, Eide Bailly requested any official authorized Policy and Procedures in writing over Low Usage Vehicles; however, determined that there is not any official policies or procedures in writing. Therefore, Eide Bailly will make a recommendation to have an official approved policy in writing over Low Usage Vehicles. See the control weaknesses identified and recommendations section of Vehicle Use for more details.
 - b) Second, based on correspondences with the Chief Fiscal Admin Officer, Eide Bailly could expect that vehicles with less than 400 miles/month average annually to be reassigned. Eide Bailly then prepared a Low Mileage Analytic to determine if vehicles were properly identified as “Low Usage” by recalculating the start and end mileages and determining which had below 400 miles/month average annually. We then compared the calculated number of vehicles to be reassigned from the analytic to the number vehicles actually reassigned, which exceeded Eide Bailly’s expectations. See the control weaknesses identified and recommendations section of Vehicle Use for more details.
10. Reviewed fuel consumption reports of vehicles to determine accuracy and timeliness of fuel readings. Evaluated the processes and internal controls in places for refueling activities and economical fuel consumption.
 - a) Monitoring Fuel Consumption and Mileage: Fuel Usage reports can be processed from the CAMS system. These reports can be ran monthly or more frequently based on the report criteria. They show the fuel card number the fuel was charged to and the detailed information such as; the date the fuel was purchased, the number of gallons purchased, and fuel type “Unleaded/Diesel/Other type” purchased, and the total dollar amount of the gas purchase. The fuel information is uploaded into the CAMS system from a CSV file, which comes from the Interstate Fuel. This CSV file is uploaded daily into CAMS by Fleet Services. CAMS maintains both the fuel and milage data of the vehicles.
 - b) Fuel Billing and Reporting: The Senior Accountant Technician will process the monthly fuel journal in Lawson (Infor). Afterwards, the accounting report will be broken-down by budget unit numbers (the accounting units or object codes are set up as Fund-Department-Budget Unit-Cost Center). The Senior Accountant Technician will document the journal number on the top of each budget unit report and send it to the appropriate fiscal contacts, typically Fiscal Officers or Department Heads.
 - c) Fuel Cards and Voyager Fuel Credit Cards: There are two types of fuel cards available at the County: Voyager fuel credit cards and vehicle fuel cards (see step #12 for Voyager fuel credit card testing details).

There are approximately 130 Voyager fuel credit cards issued to drivers and it is noted that all of the Voyager fuel credit cards, other than a Fleet card, are assigned to law enforcement staff; Sheriff’s Office and District Attorney. In addition to the Voyager fuel credit cards, there are also approximately 150 vehicle fuel cards. This makes a total of approximately 280 cards, when adding both the fuel cards and the Voyager fuel credit cards. Vehicle fuel cards and Voyager fuel credit cards are requested by Department Heads. Voyager fuel credit cards are assigned to a specific individual while regular fuel vehicle cards are assigned to individual vehicle numbers. In most cases, the vehicle fuel cards assigned to vehicles are left in the vehicles. The driver is directed to use, check out, or is assigned to use the vehicle with the fuel card in it.
 - d) Eide Bailly requested an official policy in writing over the fuel cards; however, Fleet Services was not able to provide one. Therefore, a recommendation will be made to have an official written approved policies and procedures over all fuel cards. See the control weaknesses identified and recommendations section of Vehicle Use for details.

- e) Eide Bailly also noted that some departments have “miscellaneous fuel cards”, fuel cards that are not assigned to a vehicle but assigned to a department instead, for small equipment or rental vehicles. Card security is dependent on the department that the card is assigned. There does not appear to be any official policy in place to ensure that unassigned cards are kept locked-up in a secure location and checked-out for use. Therefore, this could create an internal control weakness over the security of unassigned cards to departments for small equipment. A recommendation will be made for more formal P&P in writing over the physical security of unassigned cards.
11. Inquired about the monitoring process in place to ensure overall fleet safety performance including the review of critical GPS Data (e.g., speeding, harsh breaking, harsh turning, etc.). No detail testing deemed necessary as most of the vehicles are not equipped with GPS systems.
- a) Per the Chief Fiscal Admin Officer, the following department use GPS tracking data (through Verizon):
 - 85 vehicles Health & Human Services
 - 22 vehicles Roads/Community Services
 - b) In addition, it is noted that the Sheriff’s Office plans to install GPS on their vehicles in the future, most likely in FY 2022-2023.
12. Sample tested Voyager fleet credit cards for accuracy and reasonableness. The Voyager cards were non-statistically sample tested from a population 131 Voyager cards and a sample size of 20 Voyager cards, which were haphazardly selected using professional judgement. Eide Bailly obtained and reviewed account balance information from the Voyager cards, detailed transaction reports, and accounting records to test the accuracy and reasonableness of the transactions. The transactions tested appeared reasonable.

Security

13. Reviewed available Policies and Procedures related to security, focusing on fleet management software user access and security measures in place to prevent theft and vandalism.
- a) Fleet Services currently does not use security access badges to access the main Fleet Services building. Physical keys are used with an “Employees Only” sign in front of the door. While physical keys are great physical control to prevent unauthorized access, security access badges provide additional data for who and when people access the main Fleet Services building. See the control weaknesses identified and recommendations section of security for more details.
14. Obtained the CAMS fleet management software user access report and inspected the list of users to determine if the access has been granted in accordance with employee’s roles and responsibilities and whether the access was disabled timely when the user is terminated. Eide Bailly reviewed the CAMS user access report, termination report, and personnel action form documentation. No concerns were noted.
15. Eide Bailly held discussions with key personnel to identify and verify security measures in place to prevent theft and vandalism and that the measures followed the established guidelines, if any.
- a) There are approximately 580 vehicles and equipment on the CAMS asset list, which was provided to Eide Bailly from Fleet Services. The vehicles are held by a number of different departments and in various physical locations depending on the department.

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- b) The physical security measures in place varies depending on the location. The following chart of physical security measures by location was provided by Fleet Services:

Location	Security	Address	Vehicle Access
County Yard	Gated yard, security patrol	292 West Beamer ST. Woodland, CA	Dept. key control
County Landfill	Gated yard, cameras	44090 Co Rd 28H, Woodland, CA	Dept. key control
Health dept. (Woodland)	Gated and open yards, security patrol	Woodland Ave & W. Beamer St., Woodland, CA	Pool program w/ key control
Health dept. W. Sac	Open lot, security patrol	Triangle Court	PD proximity
Probation/ DA/ Public Def'r	Gated yard, security patrol	Court st. btwn 3rd&4th. Woodland, CA	Dept. key control
Sheriff	Gated yard, cameras	Tony Diaz Dr. Woodland, CA	Dept. key control
DCSS	Gated yard	100 W. Court St. Woodland, CA	Dept. key control
GSD	Gated yard, security patrol	120 West Main St., Woodland, CA	Dept. key control

- c) Per the Fleet Superintendent and Chief Fiscal Admin Officer, the following occurred during the scope of April 1, 2021 thru March 31, 2022:
- The County has had a number of catalytic convertors stolen, vehicles vandalized, and two vehicles stolen; events which occurred at 3 different locations; all fenced, two with video surveillance. The stolen vehicles were noticed, identified and recovered promptly. See the control weaknesses identified and recommendations section of security for more details and recommendation.

Compliance

16. Reviewed the Safety Policy, Driver's Responsibility Policy, and other compliance related guidelines within the Vehicle Policy.
- a) Department Heads will identify staffing needs, including the need for equipment operators and drivers requiring commercial driver's licenses, ("CDL's"). The County's vehicles and equipment requiring a CDL are mostly within the PW Roads department, with few other departments having custody of vehicles and equipment requiring a CDL. Vehicles and equipment requiring a CDL are not part of the common pool of County vehicles.
 - b) A CDL in the State of California is needed to operate any of the following vehicles; a single vehicle with a GVWR over 26,000 lbs, a combination vehicle with a GVWR over 26,000 lbs towing a unit over 10,000 lbs GVWR, or a passenger vehicle designed to carry 16 or more people, (including the driver).
 - c) After 5 years in the State of California, a CDL will expire and will need to be renewed. This is designed to coincide with the renewal of the driver's regular license. CDL renewals are not eligible if the driver already has a suspended or lost license. CDL renewals also require that the drivers provide a certified medical examination and complete a necessary knowledge test to maintain the endorsement.
17. Obtained and reviewed a listing of all drivers and operators and reviewed current license/certification status.
- a) Both Department Head and the Risk Manager, ("RM") Cha Yang, will track authorized drivers to ensure that they have current drivers licenses to operate the vehicles. The official Vehicle Policy states that a prerequisite for operating a County vehicle is to have a California issued State driver's License. The driver is also responsible for any citations resulting from operating a County vehicle.
 - b) Verification of CDL's: Department Heads or supervisors are responsible to ensure that only employees with CDL's can operate vehicles that require a CDL. The RM will confirm that all intended operators have current and valid CDL to operate.

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- c) Supervisors will inform RM when they have a new operator. RM adds them to the “Pull Notice” program. DMV sends RM a report on the employee’s driving status and driver’s license class. Once clear, RM will notify the department/supervisor to allow the employee to drive the vehicle or equipment. DMV automatically sends the Yolo County Public Agency Risk Management Insurance Authority (“YCPARMIA”) and RM a notice when there is an issue with the employee’s driver’s license, (suspensions, expirations, violations, etc.). When a CDL is invalid, RM will inform the department to not allow the employee to operate a vehicle until the issue is resolved. The DMV will also send out notice to RM when employee’s CDL needs renewing or is suspended.
18. Inquired about the internal and external trainings required for the drivers and operators as well as drug and alcohol testing. Specifically, for the CDL requirements.
- a) Training: There is a CDL renewal testing requirement in California, according to the State of CA DMV website: <https://www.dmv.com/ca/california/renew-a-cdl-commercial-drivers-license>. It is necessary to recomplete the CDL testing in order to renew the CDL. The general skills and knowledge and skills test for a CDL renewal is required to maintain the endorsement. The written test can take approximately 2-3 hours to complete. In addition, a physical exam is required every two years.
- b) Eide Bailly inquired with the Chief Fiscal Admin Officer and County Risk Manager, and determined that no mandatory trainings are provided to drivers or for CDL endorsement and maintenance. See the control weaknesses identified and recommendations section of compliance for more details.
- c) Drug and Alcohol Testing of CDL Drivers: Currently, there are 22 CDL drivers according to the Chief Fiscal Admin Officer.
- During the pre-employment of a potential CDL driver, drug and alcohol tests are performed. HR will coordinate the test during the hiring process. This was noted as an internal control.
- Current CDL drivers, are subject to random drug and alcohol tests. Quarterly, YCPARMIA will send a list of employees with CDL that will need tests and the tests are due back to YCPARMIA within approximately 3 months once the names are issued. The RM schedules tests through CST Solutions and informs the supervisor of the employee the night before, (not the employee themselves) for the employee to have next morning tests. Employees are given the time and location to show up the day of the test. Supervisors are instructed not to inform the employee until they are ready to send the employee for testing. Emails are sent the night before, because employee shifts start early and the supervisor will confirm receipt of the instructions. This was also noted as an internal control.
- d) DOT Clearinghouse: In January 2020, FMCSA, a division of DOT, launched a “Clearinghouse”, a new database that contains information pertaining to violations of the DOT controlled substances for FTA employees who were hired on and after January 6, 2020. The Clearinghouse provides employers the necessary tools to identify drivers who are prohibited from operating commercial motor vehicles (CMV) based on DOT drug and alcohol program violations and ensure that such drivers receive the required evaluation and treatment before operating on public roads.
- The Clearinghouse rule requires the following:
- Employers must query the Clearinghouse for current and prospective employees' drug and alcohol violations before permitting those employees to operate a commercial motor vehicle (CMV) on public roads.
 - Employers must annually query the Clearinghouse for each driver they currently employ.
 - Employers must register all CDL holders and enter driver information for the past 2.5 years.
- Per Cha Yang, Risk Manager will conduct a query annually and upon hire of the DOT Clearinghouse for CDL drivers, for drug and alcohol violations. This was noted as an internal control.
19. Inspected insurance policies and made inquiries to ensure that all vehicles and equipment were adequately insured for the period covering April 1, 2021 thru March 31, 2022. No concerns were noted.
- a) The Yolo County Public Agency Risk Management Insurance Authority, (“YCPARMIA”) is an intergovernmental agency, risk sharing, joint powers authority, duly formed pursuant to California Government Code; article 6500-6512. The County of Yolo has a deductible of \$5,000 per occurrence according to the coverage.

20. Inquired about the “Board’s budget principle of a Green Fleet” or “Sustainable Fleet” budget principle with Chief Fiscal Admin Officer and Fleet Superintendent, and through review of the vehicles within the CAMS asset listing.
- a) The “Board’s budget principle of a Green Fleet” ties directly to the “Sustainable Fleet” as noted in the budget principles. As stated in b) below; the “Sustainable Fleet” or “Green Fleet” principle is in place to build a green fleet and states that electric vehicles should be purchased over other types of vehicles.
 - b) The following principle below is included in the current board approved budget principles:
 - “**Sustainable Fleet** – Departments shall endeavor to purchase the most environmentally sustainable option when replacing or purchasing new vehicles, starting with electric, then electric-hybrid, hybrid and finally combustion. Hybrid or combustion vehicles will only be considered if there is a compelling business reason.”
 - c) When reviewing the CAMS vehicle and equipment asset listing, it was noted that only one electric vehicle could be identified in the list of approximately 550 vehicles (a Nissan Leaf). There were also a number of hybrid vehicles in the CAMS vehicle listing.
 - d) Outside of the sustainable fleet principle documented in the budget (noted above), it was noted that the County does not have in place official written policies and procedures to supplement and guide the principle in order to achieve the goal of maintaining a sustainable fleet. While the departments are encouraged to procure electric vehicles at time of purchase, there does not appear to be a centralized tracking or oversight mechanism to ensure that this goal is being met, enforced, and performance tracked across departments. Therefore; Eide Bailly has determined that meaningful progress toward this principle does appear to have been achieved. We noted this in the control weaknesses identified and recommendations section as a “Budgeting, Purchasing New Vehicles, and Compliance” issue, because it effects multiple function areas and not just compliance.

Risk Rating Definitions

The following risk rating definitions were used for the observations provided in this report.

High – Control weaknesses and recommendations with a “High” rating are those that are the most critical to reducing various operational risks and improving efficiency and effectiveness within the Department. These items should be addressed by management as a matter of urgency. Either a likelihood and/or an impact is rated high.

Medium – Control weaknesses and recommendations with a “Medium” rating should be addressed as soon as the recommendations rated “high” have been resolved. These items are moderately important to the overall efficiency and effectiveness of the operations. Either a likelihood and/or an impact is rated medium.

Low – Control weaknesses and recommendations with a “Low” rating may represent best practices, items that do not represent high risks to the operations but are the matters for consideration. Either a likelihood and/or an impact is rated low.

Control Weaknesses Identified and Recommendations

#	Risk Rating	Control Weaknesses	Recommendation and Management Response
Budgeting, Purchasing New Vehicles, and Compliance Control Weaknesses:			
1	High	<p><i>Budget principle of switching to Electric vehicles, “Sustainable Fleet”:</i> The County budget principles clearly indicates under “Sustainable Fleet” that vehicles are to be purchased in the following order; starting with electric, electric-hybrid, hybrid, and traditional combustion last. It appears that this budget initiative is not being adhered to, implemented, or communicated to Department Heads outside of the budget documents.</p> <p>We noted this as a Compliance issue, but also noted it within Purchasing since it is directly tied to the budget and purchasing of new vehicles.</p> <p>Note: This affects multiple functional areas; such as compliance, budgeting, purchasing, and inventory management.</p>	<p>Recommendation: Develop County-wide policies and procedures to ensure that this budget principle is met and enforced. This should include the development of mechanisms to track the ongoing performance as well as establish accountability of this budget principle to ensure that electric vehicles (as well as electric stations) are purchased within the County’s Fleet. The established policies and procedures should be adhered to by all staff involved in the County’s vehicle purchasing processes and may be a joint effort by Fleet services and County departments.</p> <p><u>Short-term:</u> As older vehicles need to be replaced, they should be replaced with electric vehicles and electric stations should be installed and budgeted annually. Training should also be provided to drivers.</p> <p><u>Long-term:</u> With the price of gas continuing to significantly increase, the switch to electric will provide a more sustainable fleet in the long-term, which is the goal of this budget principle.</p>
<p>Management Response –</p> <p>Responsible Departments: County Administrator, Financial Services, and Community Services</p> <p>Management partially agrees with this recommendation.</p> <p>Budget principles are developed and approved annually by the Board of Supervisors to provide general guidelines for developing the County’s budget for the upcoming fiscal year. While the budget principles provide an important yardstick for County staff in the course of budget development, they merely represent a statement of what the County would ideally like to achieve through the budget process, and do not carry the same weight and authority of a formal County Policy.</p> <p>While establishing a Countywide policy requiring the purchase and use of electric and/or hybrid vehicles is a laudable goal, there are currently several barriers to implementing such a policy, including insufficient electric vehicle charging infrastructure, higher purchase and different maintenance costs, and vehicle options that may not meet certain department specific service needs. However, inclusion of Sustainable Fleet in the County’s budget principles since January 2020 has resulted in a change in process whereby Fleet Services now provides electrified options to County departments when new vehicles are requested, as well as the infrastructure requirements to charge such vehicles.</p> <p>It should be noted that the Board of Supervisors has also taken several recent actions to address climate change and sustainability, including adoption of a resolution declaring a climate crisis requiring an urgent and inclusive mobilization in Yolo County, creation of the Yolo County Climate Action Commission (YCCAC) to advise the County on implementation of the Yolo County Climate Action Plan, and approval of several early action priority projects to reduce greenhouse gas emissions. One early action priority being considered is contemplation of a Zero Emission Vehicle (ZEV) Master plan that would help to guide this transition methodically across County departments. In addition, the Board of Supervisors approved funding in the 2022-23 Recommended Budget for an update to Yolo County’s Climate Action Plan.</p> <p>As the County continues to make progress on climate sustainability initiatives and reduce or eliminate the barriers to electrification of the County’s vehicle fleet, a Countywide policy regarding the purchase and use of low- or zero-emission vehicles may be considered at a future time however likely would be informed by the aforementioned ZEV master plan. If and when such a policy is approved, procedures to ensure adherence to the policy will also be considered and implemented.</p>			

Inventory Management Control Weaknesses:		
2	High	<p><i>No reconciliations or interface between CAMS and Lawson (Infor):</i> There is neither a manual reconciliation or an electronic interface between the CAMS and Lawson (Infor). Therefore, the information in CAMS for inventory and maintenance purposes may not match the information in Lawson for accounting and financial reporting purposes.</p>
<p>Recommendation: A regular reconciliation should be performed between CAMS and Lawson (Infor) to ensure information agrees and is accurate in both systems. This is recommended to maintain accurate and complete listings for inventory and maintenance purposes of the County’s fleet, as well as financial reporting information.</p> <p>-The CAMS asset inventory listing should also be checked for old vehicles and equipment that no longer exists, and then remove them from the listing.</p> <p>-Once the CAMS asset listing is determined to be accurate (preferably after conducting a County-wide inventory), then the related financial reporting information in Lawson (Infor) should be regularly reconciled to CAMS to ensure the vehicles and equipment within the fixed asset ledger prepared by the Department of Financial Services (DFS) agrees as noted above.</p>		
<p>Management Response –</p> <p>Responsible Department: Community Services</p> <p>Management does not agree with this recommendation.</p> <p>The Lawson/INFOR system and the CAMS function serve distinctly different functions. Therefore, while the County acknowledges there may be some risk to a lack of reconciliation between the two systems related to inventory control of vehicles, a reconciliation would be time consuming, and the cost of implementation and maintenance of a reconciliation is likely to exceed any benefit derived.</p> <p>The Department of Financial Services (DFS) is responsible for maintenance of the INFOR system and accounting and financial reporting. DFS uses Lawson/Infor and they do not rely on CAMS as the system of record.</p> <p>Fleet Services is not responsible for tracking and maintaining the inventory of vehicles for either the department’s assets or the County as a whole’s assets. Infor is the County’s record keeping system therefore all assets are reported, adjusted, certified, or removed from that system. CAMS Fleet module is for service and repair management purposes only. Infor holds all required assets consistent with County policy for Fixed Assets, not just vehicles. Our use of CAMS is to manage vehicle maintenance and process operations and repair billing, i.e., service, repair, and fuel. Fleet does not “track” historical value or depreciation.</p> <p>CAMS is not designed to store all County assets and is not the current purpose of the system. Although, Fleet accounts for the presence of vehicles frequently, specifically at times of service which is the primary method Fleet uses to identify the physical presence of vehicles and equipment. CAMS is a tool which follows vehicle use (through fuel use) and documentation of services and repairs.</p> <p>When a lack of information or discrepancies are identified, multiple sources are investigated to ensure the issue is correctly addressed. The movement of the vehicle during the year seems to be adequate evidence to Fleet that the vehicle exists and is being used as indicated by fuel use, regular services (per Fleet’s schedule) as well as other needs which may include recalls, service calls, or even accident, vandalism or theft. Infor is considered the official inventory, and inventory of fixed assets are performed on a scheduled basis (typically annually) by the Department of Financial Services through request of department personnel to verify their fixed assets (including vehicles) to determine if the official record of the county needs to be modified.</p> <p>Because of the differing purposes of the systems, a reconciliation while possible would like be time consuming and the value of which for organizational purposes is unclear thus likely the cost of performance exceeding the benefit.</p>		

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3	High	<p><i>No County-wide inventory of vehicles and equipment:</i> It was noted that a County-wide physical inventory has not been conducted of vehicles and equipment. Per the County’s Vehicle Policy, "all County vehicles will be properly administered and maintained and administration and maintenance is provided by Fleet Services. Administration includes <u>inventory</u>, reporting, regulatory compliance, and historical documentation." While departments annually review and certify asset listings provided by DFS, these are prepared to verify asset listings in Lawson (Infor), and as noted in CW #2 above, reconciliations are not performed between Lawson (Infor) and CAMs (Fleet Services inventory records). This makes it difficult to conclude that the assets included in the CAMS inventory listing exist and the listing is complete and accurate as a County-wide fleet inventory has not been conducted. Fleet Services tries to service vehicles and equipment on a regular basis and relies on communication with Department Heads as a countermeasure which may uncover discrepancies; however, that does not eliminate the risks involved with not having a County-wide inventory.</p>	<p>Recommendation: Fleet Services should perform a County-wide inventory of vehicles and equipment. This should be performed to ensure the CAMS inventory listings (maintained by Fleet Services) are accurate and complete. A County-wide inventory will also supplement and verify the accuracy of the departments’ annual inventories that are prepared for the DFS for financial reporting. This also provides an opportunity to briefly inspect all of the vehicles and equipment.</p>
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Management Response

Responsible Department: Community Services and Financial Services

Management partially agrees with this recommendation.

While a County-wide inventory of vehicles and equipment might be ideal, Fleet Services does not currently have the staffing or ability to complete such a physical inspection of County vehicles and equipment on an annual basis and this is likely be repetitive of efforts already conducted.

Processes are already in place for County departments to review and certify physical inspection and inventory of assets under their control on an annual basis, and to make adjustments to fixed asset inventories as needed. Pursuant to the County Policy on Capital Asset Management, the Department of Financial Services maintains an inventory of all capital assets, which is updated annually based on certifications from all departments.

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4	Medium	<p><i>Official Count Sheets not used or retained in auto-parts inventory:</i> Count sheets were not used or retained for the inventory of auto-parts. This makes it difficult to determine that the inventory actually took place and that changes were processed in both CAMS and Lawson (Infor). Fleet Services certifies that an inventory did take place June 2021 and provided a document with changes in quantities on it, but the document had no dates, document parameters, or other official identifying information on it. A recommendation will be made to use official count sheets and retain count sheets for auto-parts in order to show and prove that the inventory took place.</p>	<p>Recommendation: Use and retain official count sheets during the inventory of auto-parts, that includes the certification of the staff who took the inventory, as well as an approver. This will provide an audit trail that the inventory took place.</p>
<p>Management Response</p> <p>Responsible Department: Community Services</p> <p>Management does not agree with this finding.</p> <p>The terminology “count sheets” was not familiar to Fleet staff and repeated requests did not clarify the items. Perhaps a verbal review of the process would have led to a mutual understanding of Fleet Services process on auto parts inventory.</p> <p>Fleet provided a CAMS report called “Shop Inventory Transaction Review” This report includes date inventory was received and issued to/on a department vehicle, retail price of the item, the vendor name, inventory item, location of the item, quantity, and net value of quantity (if ran by date range). This information is very similar to information that would be found on a count sheet except this is an electronic version. If the purpose of count sheets is to track or document parts received and distributed, then CAMS provide this already.</p>			

Maintenance Services Controls:		
5	Medium	<p><i>Lack of official Policies and Procedures in writing over maintenance and repairs:</i> As part of our procedures, we requested more specific policies and procedures in writing for maintenance, repair operations, and inspections. We also requested an official list of maintenance and repairs performed in-house and those that are outsourced. Fleet Services was not able to provide either. There appears to be a lack of official policies in writing regarding what/when maintenance and repair services are to be performed. We also noted that the official Vehicle Policy was written and approved in 2013, which is significantly aged as of this report. In addition, Fleet Services relies heavily on the Fleet Superintendent to coordinate maintenance and repairs. While the Fleet Superintendent has 14 years of experience, if he were to separate from the County, it would create a significant “knowledge gap” within the department. Therefore, we recommend more formal procedures in writing.</p>
<p>Recommendation: Develop official approved policies and procedures in writing for specific maintenance, repair operations, and inspections. Also develop and maintain a comprehensive list of services that are performed in-house and those that are outsourced.</p> <p>The County should update the Vehicle Policy (within the County of Yolo Administrative Policies and Procedures Manual) as it is almost 10 years old.</p>		
<p>Management Response –</p> <p>Responsible Department: Community Services</p> <p>Management partially agrees with this finding.</p> <p>The Fleet module in CAMS assigns each vehicle to the appropriate service schedule based on the vehicle category. Each vehicle category has a list of “PM Services” which provides the service schedule and indication of the depth of the service. For instance, Category A is scheduled every 6 months or 5,000, whichever comes first, and a checklist of services is used by Fleet staff.</p> <p>Community Services agrees to update the County Vehicle Policy in conjunction with County Administrator’s Office and Department of Financial Services to improve the narrative on maintenance and repairs along with related policies and procedures.</p>		

Vehicle Use Controls:			
6	Medium	<p><i>Lack of official Policies and Procedures in writing over Fuel Cards:</i> There is no official policy and procedures in writing over the Voyager fuel credit cards or the vehicle fuel cards.</p>	<p>Recommendation: Develop official, approved policies and procedures in writing over the fuel cards and Voyager fuel credit cards. An emphasis on accountability and security of the cards should be made in the official policies and procedures to help ensure that the fuel cards are not misused, misplaced, or abused. The County should ensure staff that have access to these cards are aware of the standard policies and procedures over fuel cards.</p>
<p>Management Response –</p> <p>Responsible Department: Community Services</p> <p>Management agrees with this finding.</p> <p>The vehicle fuel cards remain with the vehicle and are used to fuel only that vehicle whereas the Voyager fuel cards are assigned to the driver. Card use requires a driver with an assigned personal identification number (PIN). When PINs are assigned, drivers are provided an email from Fleet Services with the procedures and some limits pertaining to the fueling process, such as the steps of the fueling process and that the card is not to be used for purchases other than fuel.</p> <p>CAMS will flag questionable mileage entries and cause Fleet to investigate the apparent error. This is part of the reason Fleet has confidence that the cars getting fuel are county cars. Fleet processes the fuel transactions and bills the departments for their fuel use monthly. The department effectively approves of all transactions when paying their fuel bill.</p> <p>Community Services agrees to update the County Vehicle Policy in conjunction with County Administrator’s Office and Department of Financial Services which will include a section on fuel cards.</p>			

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7	Medium	<p><i>Use of miscellaneous or unassigned fuel cards:</i> Some departments have miscellaneous cards for small equipment or rental vehicles. Card security is dependent on the department that holds the cards. There does not appear to be any official policies or procedures in place provided to departments to ensure that unassigned cards are kept locked-up in a secure location and properly checked-out for use. Therefore, this could create an internal control weakness over the security of these cards issued to departments for small equipment. Eide Bailly will recommend formal Policies and Procedures in writing over the physical security of unassigned cards.</p>	<p>Recommendation: Develop official approved policies and procedures in writing over the “miscellaneous” fuel cards that are assigned to departments for equipment and not assigned to specific vehicles. Specifically, these should include the requirement that cards are properly secured and checked out/in for official use only.</p>
<p>Management Response –</p> <p>Responsible Department: Community Services</p> <p>Management agrees with this finding.</p> <p>Community Services agrees to update the County Vehicle Policy in conjunction with County Administrator’s Office and Department of Financial Services which will include a section on fuel cards. Fleet Services will state in the updated policy that fuel cards are to be locked in a secure location and property checked-out for use, however Fleet Services does have the staffing or ability to monitor other department’s security of the cards so the responsibility will likely remain with departments.</p>			

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8	Medium	<p><i>Lack of official Policies and Procedures in writing over “Low Mileage Usage” vehicles:</i> There are no formal policies or procedures approved and in writing over the review of low usage vehicles. From a review of vehicle listings provided and their respective mileages performed, Eide Bailly calculated and estimated a total of 232 vehicles with average mileage below 400 annually; however, only 114 vehicles were noted as reassigned in a listing provided. In addition, there were a total of 48 vehicles with negative mileage reported. While there may be explanations or reasons for why certain vehicles are not reassigned, as well as negative mileage, the County would benefit from having written policies and procedures related to the reassignment of low mileage vehicles.</p>	<p>Recommendation: Develop official, approved policies and procedures in writing related to the review and reassignment of low mileage vehicles. Specifically, this should document the defined parameters for when vehicles with low usage are to be reassigned as well as the overall review process. Departments should follow the recommendations for reassigned vehicles or provide justification for not reassigning a low mileage vehicle. This will help to reduce the risk that County vehicles are not being reassigned or utilized as efficiently and effectively as possible.</p>
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Management Response –

Responsible Departments: County Administrator, Financial Services, and Community Services

Management partially agrees with this finding.

The identification and reporting of low use (mileage) vehicles to each department happens at the beginning stages of budget development process to ensure additional vehicles are not purchased when unnecessary. During the month of January Fleet Services reviews the list of county vehicles and will highlight vehicles that are recommended for replacement including low use (mileage) vehicles, high mileage vehicles, and aged vehicles. Each department receives their recommendations for replacement list prior to the entry of budget requests.

Fleet Services does not have authority over other departments decisions regarding vehicles, therefore if a department decides to continue using a vehicle that was recommended for replacement, Fleet Services will continue to service and maintain the vehicle.

Community Services agrees to update the County Vehicle Policy in conjunction with County Administrator’s Office and Department of Financial Services which will enhance the section on low mileage usage and related policies and procedures to be applied.

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Security Controls:		
9	Low	<p><i>Not all physical locations with department vehicles have security cameras:</i> It was noted per inquiry with Fleet Services that County vehicles have had catalytic convertors stolen, vehicles vandalized, and two vehicles stolen. The stolen vehicles were noticed, identified and recovered promptly, however not all of the physical locations with vehicles and equipment have security cameras to help deter theft or vandalism.</p>
<p>Recommendation: It is recommended to add security cameras to all locations holding vehicles and equipment. We also recommend to add additional physical security controls to those locations as needed to help deter theft or vandalism.</p>		
<p>Management Response –</p> <p>Responsible Departments: General Services and Community Services</p> <p>Management partially agrees with this finding.</p> <p>Fleet Services does not have authority over other departments who store vehicles at their physical department locations rather than at the Fleet corporation yard and the security measures implemented but advises and will bring attention to issues concerning vehicle security, however each department is responsible for securing their own assets from loss, damage, or theft. This includes providing recommendations for preventing catalytic converter thefts.</p> <p>The General Services department agrees that the County as a whole should apply prudent and cost-effective security solutions where the value exceeds the cost however this is not anticipated to be all locations or possible locations that vehicles are stored. Certain proposals are being reviewed for two locations that experienced recent damage to vehicles. In addition, General Services has been developing longer term security options with a security consultant that includes replacement of the existing card key/lock system as well as deployment of additional cameras in select locations.</p>		

YOLO COUNTY – VEHICLE FLEET OPERATIONS

10	Low	<p><i>Security access badges are not used to enter Fleet Services:</i> Fleet Services currently does not use security access badges to access the main Fleet Services building. Physical keys are used with an “Employees Only” sign in front of the door. While physical keys are a great physical control to prevent unauthorized access, security access badges provide additional data for who and when people access the main Fleet Services building. Therefore, we will make a recommendation to use security access badges.</p>	<p>Recommendation: It is recommended to switch from a traditional lock and key system to security access badges for access to the main Fleet Services building.</p>
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Management Response –

Responsible Departments: General Services and Community Services

Management partially agrees with this finding.

Fleet services will confer with General Services as to security improvements that can be applied that do not impair operations and whether key cards are necessary at this location. A security study was recently conducted, and General Services is working to secure funding for replacement of the existing card key/lock system across the County.

This location has some specific challenges where a card key system could be costly or administratively burdensome. Fleet must leave the front door unlocked to allow for customers and vendors to come in during business hours. In addition, there are multiple garage bays with large doors. All Community Services staff (including Fleet Services staff) have County issued key cards to access the yard and main building. The parts/inventory room is secured by lock and key to limit access, and only Fleet staff and the Director of Public Works has keys to this room (as well as General Services Department staff). The physical vehicle keys are stored in a key management system and each user has their own pin which limits risk of theft and loss.

Compliance Controls:			
11	Low	<p><i>No mandatory driver training:</i> According to the County Risk Manager, the County requires no mandatory driver training. Based on the Commercial Driver’s License (CDL) renewal testing requirement, we recommend additional training be provided and offered for CDL operators or PW employees that seek to obtain a CDL.</p>	<p>Recommendation: We recommend offering and providing training to CDL drivers for renewal purposes. We also recommend the County provide training to drivers on how to use electric vehicles as needed, especially as more electric vehicles are purchased in the future.</p>
<p>Management Response –</p> <p>Responsible Department: Human Resources</p> <p>Management agrees with this finding.</p> <p>According to the County Vehicle Policy, “departments are responsible for ensuring adequate driver training”. In addition, the Risk Manager in the Human Resources Department oversees all staff that require a Commercial Driver’s License (CDL).</p> <p>As of February 2022, DMV implemented a mandatory training requirement for new CDL applicants. Before February 2022, there was no mandatory training requirement. However, Department of Community Service does send their new CDL applicants to training. The County is compliant with the requirement as drivers were training in February 2022 for the new requirement and no new drivers have joined more recently. Regarding the mandatory CDL training required by DMV for new CDL applicants, Risk Management will work with departments and ensure that new CDL applicants go through the mandatory training. The DMV will not allow any new applicant to test before this training is completed.</p> <p>The County Risk Manager will implement a training course for commercial drivers via the Learning Management system to cover driver safety, defensive driving, and consider other relevant requirements such as how to operate electric vehicles.</p>			

Conclusion

The County and the Fleet Services Department appears to have a good number of well-designed internal controls for efficient and effective operations of the fleet along with the highly qualified and experienced staff, Fleet Superintendent, and the Chief Fiscal Admin Officer who made a noticeable contribution in enhancing our understanding of the vehicle fleet operations of the County. We hope and believe that, at a minimum, addressing and resolving the “High” and “Medium” rated observations and recommendations provided in this independent assessment would directly and positively contribute and add value to the overall efficiency and effectiveness of the operations of the fleet including, but not limited to, an increase in adherence to the “Sustainable Fleet” or “Green Fleet” as stated in the budget principles, an appropriately designed inventory process of vehicles and equipment, more accurate inventory tracking of auto-parts, having more official policies and procedures in writing, an improved fleet utilization review process, improved safety controls over assets, and increased training to improve behavior of the drivers and operators to reduce the risks associated with the safety of the drivers as well as the general public.

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