

Summit County Executive Office
Department of Law, Insurance and Risk Management
2023 Countywide Vehicle Performance Audit

Prepared for:

Ilene Shapiro
Audit Committee

Approved by Audit Committee
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Summit County
Internal Audit Department
175 South Main Street
Akron, Ohio 44308

Lisa L. Skapura, Director
Jon Keenan, Assistant Director
Brittney Quinn, Senior Lead Auditor
Amanda Winkelman, Senior Auditor

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EXECUTIVE SUMMARY

Total Number of Issues – 6

Policies and Procedures

Section	# Issues	Issue Descriptions	Page Ref.
Policies and Procedures	1	<ul style="list-style-type: none"> • Policies and procedures do not exist for the Summit County vehicle process (e.g., tracking, titles, registration, e-checks, etc.) 	5

Internal Controls

Weaknesses in Internal Controls:

Testing Section	# Issues	Issue Descriptions	Page Ref.
County Vehicles	5	<ul style="list-style-type: none"> • A 2023 Executive Order for designation of vehicles did not occur. • Instances where a Summit County vehicle did not have Automatic vehicle locating (AVL) installed. • Instances where IAD could not determine who drove the vehicle; therefore, could not determine if the driver was authorized. • Instances where drivers operated a county vehicle prior to being included in the Embark system. • Instances where Sheriff's Office and Engineer's Office vehicles inventory had discrepancies from the Executive's Office inventory. 	5

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GENERAL BACKGROUND

Summit County Codified Ordinance §169.25 (d) states that all Summit County vehicles shall be equipped with an Automated Vehicle Locating device (AVL) unless specified in an Executive Order. Summit County Codified Ordinance §169.25 (f) states that the County Executive shall designate, by Executive Order, personnel assigned to County of Summit vehicles. On October 4, 2007, Summit County Executive Russell M. Pry issued Executive Order 07-320 stating that all employees utilizing vehicles for the purpose of commuting will be subject to the IRS regulations regarding taxable fringe benefits.

AUDIT OBJECTIVES, SCOPE, AND METHODOLOGY

The primary focus of this audit was to provide reasonable assurance, based on the testing performed, that county vehicles have AVL, are being properly maintained in accordance with legislation; and that payroll deductions are being made, if appropriate, for the respective employees, in accordance with IRS Publication 15-B.

We conducted this performance audit in accordance with generally accepted government auditing standards. 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.

Based on the results of our review, we prepared specific issues and recommendations for improvement that were discussed with management. These recommendations, as well as management's unaltered written response, can be found in the following sections of this report.

Disclaimer:

We recognize that the Internal Audit Department (IAD) utilizes county pool vehicles on a minimal basis and will follow Summit County Codified Ordinances and any applicable policies. IAD is unable to audit its own process to maintain objectivity. Based on this fact, IAD is excluded from testing and review.

Objectives:

To ensure compliance with Codified Ordinance, Executive Order, and IRS Regulations.

Scope:

All county vehicles and all data associated from January 1, 2023 through present.

The following were the major audit steps performed:

OBJECTIVE 1 – TO ENSURE COMPLIANCE WITH CODIFIED ORDINANCE, EXECUTIVE ORDER, AND IRS REGULATIONS

1. Obtain and review appropriate legislation.
2. Meet with the appropriate personnel to obtain an understanding of the current processes and procedures for county vehicles. Confirm that there are policies and procedures in place.
3. Obtain county vehicle inventory and perform detailed testing to assure compliance with legislation and IRS regulations.
4. Investigate discrepancies and summarize results. Make recommendations where appropriate.

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DETAILED COMMENTS

Policy and Procedures

IAD obtained and reviewed the following legislation to gain an understanding of the requirements for county vehicles, and the applicable IRS regulations:

- Summit County Codified Ordinance §169.25
- 2023 IRS Publication 15-B
- 2023 IRS Taxable Fringe Benefit Guide

The following issues was noted:

1. Issue:

Upon review of policies and procedures, IAD noted insufficient policies and procedures in the following areas:

- Vehicle tracking
- Titling of vehicles
- Registration
- E-Checks
- Process when the driver's license is suspended or the maximum points are obtained
- Notification of new drivers

Recommendation:

IAD recommends that policy and procedures are created/updated, approved, and disseminated over the administration of County vehicles. This will help to ensure that proper procedures are in place and consistently followed within the department.

Management Action Plan:

Develop policies and procedures for Summit County vehicle processes.

Target Date: 12/31/2024

County Vehicles

An interview was conducted to gain an understanding of the current processes in place regarding county vehicles.

A listing of all county vehicles was obtained and reviewed to ensure all vehicles have the Automatic Vehicle Locator (AVL) installed, in accordance with Summit County Codified Ordinance §169.25 (d). A reconciliation was performed to ensure county departments have possession of the vehicle listed on the Executive's Office vehicle inventory. Additionally, if a vehicle was taken home by the employee, IAD ensured that the proper payroll deduction was made, in accordance with IRS Publication 15-B.

A listing of all Geotab (AVL software program) users was obtained to ensure user access was reasonable.

IAD reviewed the Embark Safety System, the website to monitor driver's records, to confirm that employees operating a county vehicle were authorized to do so.

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IAD performed detail testing to ensure all required vehicles have obtained their most recent Ohio E-Check in accordance with the Ohio Environmental Protection Agency (EPA).

The following general recommendation and issues were noted:

General Recommendation

Upon review of the Geotab user listing, IAD noted several users who have not accessed the software since the user was added. IAD recommends the Executive's Office periodically notify all users of their ability to utilize Geotab to ensure supervisors are monitoring their departments drives and to ensure accountability over county vehicles.

2. Issue:

Upon discussion with Executive's Office personnel, IAD noted an Executive Order for the 2023 designation of vehicles did not occur, in accordance with Summit County Codified Ordinance §169.25 (f) (2).

Recommendation:

IAD recommends that an Executive Order exist annually for designated vehicles. This will help to ensure compliance with Summit County Codified Ordinance §169.25 (f) (2).

Management Action Plan:

Implement policy whereby an Executive Order is created for designated vehicles. And create an Executive Order for 2024.

Target Date: 07/31/2024

3. Issue:

Upon detail testing of County vehicles, IAD noted three hundred and thirty-five (335) out of four hundred and eighty-one (481), or 70%, instances where a Summit County vehicle did not have AVL installed on the vehicle, in accordance with Summit County Codified Ordinance § 169.25 (d):

- Fiscal Office – Two (2) vehicles
- Criminal Justice/Emergency Management - Twelve (12) vehicles
- Engineer's Office – Ninety-eight (98) vehicles
- Department of Sanitary Sewer Services – Forty-one (41) vehicles
- Physical Plants – Three (3) vehicles
- Sheriff's Office – One hundred and seventy-nine (179) vehicles

Recommendation:

IAD recommends that all Summit County vehicles have AVL installed or have an Executive Order to exempt vehicles from AVL. This will help to ensure compliance with the Summit County Codified Ordinance §169.25 (d).

Management Action Plan:

Determine which County vehicles should be exempt and create an Executive Order based on those vehicles. All other vehicles will have AVL installed.

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Target Date: 12/31/2024

4. Issue:

Upon detail testing of County vehicles, IAD noted one hundred and forty-eight (148) out of two-hundred and twenty (220) vehicles, or 67%, where IAD could not determine who drove the vehicle. Therefore, IAD could not determine if the driver was authorized.

Recommendation:

IAD recommends that a driving log be implemented to document who is driving the vehicle. This will help to ensure accountability and that only authorized drivers are driving county vehicles, in accordance with Summit County Codified Ordinance § 169.25.

Management Action Plan:

Develop and implement driving log that matches driver with vehicle usage.

Target Date: 12/31/2024

5. Issue:

Upon detail testing of the Embark Safety System, IAD noted twenty (20) out of two hundred and fifty-seven (257), or 8%, drivers that operated a county vehicle and were not included in the Embark Safety System:

- Adult Probation – Two (2) drivers
- Juvenile Court – Four (4) drivers
- Office Services – One (1) driver
- Job & Family Services – Three (3) drivers
- HWAP/Department of Developments – Three (3) drivers
- Veterans Service Commission – Two (2) drivers
- Building Standards Division – One (1) driver
- Department of Sanitary Sewer Services – Three (3) drivers
- Engineer's Office – One (1) driver

Additionally, IAD noted that there are no policies and procedures over the administration of the Embark Safety System.

Recommendation:

IAD recommends that the Executive's Office periodically review the list of drivers with the County departments. This will help to ensure that all drivers are entered into the Embark Safety System.

Additionally, IAD recommends that policies and procedures be created, approved, and disseminated over the administration of the Embark Safety System. This will help to ensure procedures are consistently followed.

Corrective Action Taken Prior to the End of Fieldwork:

IAD reviewed Embark Safety System and noted nineteen (19) drivers have been added. One (1) driver has been removed from driving and is no longer applicable.

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Management Action Plan:

Develop policies and procedures for the administration of the Embark Safety System and the annual review for departments.

Target Date: 12/31/2024

6. Issue:

Upon reconciliation of the Executive's Office vehicle inventory listing to the County departments vehicle inventory listings, IAD noted the following:

- One (1) Sheriff's Office vehicle that was included in the Executive's Office vehicle inventory listing; however, the Sheriff's Office could not locate the vehicle.
- Twenty-eight (28) Sheriff's Office vehicles and four (4) Engineer's Office vehicles that were included on the Sheriff's Office and Engineer's Office vehicle inventory listings; however, the Executive's Office did not have those vehicles on their vehicle inventory listing.

Recommendation:

IAD recommends that the Executive's Office perform a periodic reconciliation of vehicle inventory to ensure all vehicles are maintained on the inventory listing. This will help to ensure the vehicle inventory is accurate.

Corrective Action Taken Prior to the End of Fieldwork:

IAD obtained an updated vehicle inventory listing from the Executive's Office and noted the Engineer's Office four (4) vehicles have been added.

Management Action Plan:

Perform annual reconciliation of vehicle inventory.

Target Date: 07/31/2024