



COUNTY OF LEHIGH  
OFFICE OF THE CONTROLLER

LEHIGH COUNTY GOVERNMENT CENTER  
17 SOUTH SEVENTH STREET  
ALLENTOWN, PA 18101-2400  
(610) 782-3082 FAX: (610) 871-2897

GLENN ECKHART  
COUNTY CONTROLLER

JOHN A. FALK  
DEPUTY CONTROLLER

**TO:** Final Distribution  
**FROM:** Glenn Eckhart, County Controller *G. E.*  
**DATE:** February 19, 2013  
**RE:** Compliance Audit of the County Vehicle Policy  
County of Lehigh Ordinance 1995-143  
*"Revising the Vehicle Policy for the County of Lehigh"*

---

We have recently completed a compliance audit of the County Vehicle Policy, County of Lehigh Ordinance 1995-143, *"Revising the Vehicle Policy for the County of Lehigh"* for the calendar years 2009 through 2011. Our report number 13-19 is attached.

The results of our audit are:

- General Services is in general compliance with County of Lehigh Ordinance 1995-143.
- The sheriff does not provide adequate documentation to justify 24-hour use of a county vehicle.
- County vehicles are used by non-employees.
- Since the last audit, county management has established vehicle pools. Employee mileage reimbursement expenses have decreased by 25% from 2008 to 2011 and mileage reimbursement expenses decreased from \$437,000 in 2008 to \$319,000 in 2011.

Attachment

AUDITS/VEHICLE COMPLIANCE

COUNTY OF LEHIGH, PENNSYLVANIA  
INDEPENDENT AUDITOR'S REPORT

**Compliance Audit of the County Vehicle Policy  
County of Lehigh Ordinance 1995-143  
*“Revising the Vehicle Policy for the County of Lehigh”*  
For the Years 2009 through 2011**

REPORT NO. 13-19

COUNTY OF LEHIGH, PENNSYLVANIA  
COMPLIANCE AUDIT OF THE COUNTY VEHICLE POLICY

Table of Contents

	Page(s)
OPINION OF GLENN ECKHART, LEHIGH COUNTY CONTROLLER .....	1-2
Summary of Vehicle Inventory by Department .....	3
Schedule of Audit Findings and Recommendations .....	4
Other Management Issues for Consideration .....	5-6
Schedule of Prior Audit Findings and Recommendations .....	7-11
(From Audit Report #10-04, issued March 3, 2010)	
Director of General Services' Response .....	12



COUNTY OF LEHIGH  
OFFICE OF THE CONTROLLER

LEHIGH COUNTY GOVERNMENT CENTER  
17 SOUTH SEVENTH STREET  
ALLENTOWN, PA 18101-2400  
(610) 782-3082 FAX: (610) 871-2897

GLENN ECKHART  
COUNTY CONTROLLER

JOHN A. FALK  
DEPUTY CONTROLLER

Glenn Solt, Director  
Office of General Services  
Lehigh County Government Center  
17 South Seventh Street  
Allentown, PA 18101

### Compliance

We have audited the Office of General Services management's compliance with Lehigh County Ordinance 1995-143, "*Revising the Vehicle Policy for the County of Lehigh*" for the years 2009 through 2011. Compliance with the requirements referred to above is the responsibility of the Office of General Services' management. Our responsibility is to express an opinion on the Office of General Services management's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America and the generally accepted government auditing standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a material effect on county vehicle use. An audit includes examining, on a test basis, evidence about the Office of General Services management's compliance with those requirements and performing such other procedures as we consider necessary in the circumstances. We believe our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Office of General Services management's compliance with those requirements.

In our opinion, the Office of General Services management complied, in all material respects, with the compliance requirements referred to above that are applicable to Lehigh County Ordinance 1995-143 "*Revising the Vehicle Policy for the County of Lehigh*" for the years 2009 through 2011. However, we noted compliance deficiencies or other management issues that are described in the accompanying "*Schedule of Audit Findings and Recommendations*". We should also note that this report covers three years (2009-2011) instead of two years required by Ordinance 1995-143. Due to lack of Controller's Office resources, the biennial audit was deferred.

### Internal Control Over Compliance

Management of the Office of General Services is responsible for establishing and maintaining effective internal control over compliance with the compliance requirements referred to above. In planning and performing our audit, we considered the Office of General Services management's internal control over compliance to determine the auditing procedures for the purposes of expressing an opinion on compliance, but not for the purposes of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Office of General Services management's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance on a timely basis. A material weakness in internal control over compliance is a deficiency or combination of deficiencies in internal control over compliance, such that there is reasonable possibility that a material noncompliance with a compliance requirement will not be prevented or detected and corrected on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be deficiencies or material weaknesses in internal control over compliance. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management: William H. Hansell, County Executive; Thomas S. Muller, County Administrator; Board of Commissioners; Brian L. Kahler, Fiscal Officer; Ronald W. Rossi, Sheriff; and Patricia A. Kline, Executive Aide, Office of General Services and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.



GLENN ECKHART  
County Controller

February 12, 2013  
Allentown, Pennsylvania

Final Distribution:

Board of Commissioners  
William H. Hansell, County Executive  
Brian Kahler, Fiscal Officer  
Patricia A. Kline, Executive Aide, General Services  
Thomas S. Muller, Director of Administration  
Ronald W. Rossi, Sheriff

COUNTY OF LEHIGH, PENNSYLVANIA  
COMPLIANCE AUDIT OF COUNTY VEHICLE POLICY

*Summary of Vehicle Inventory by Department*

<u>Department</u>	<u>As of</u> <u>12/31/08</u>	<u>Additions*</u>	<u>Deletions*</u>	<u>As of</u> <u>12/31/11</u>
Aging	5	2	3	4
Agricultural Land Preservation	0	1	0	1
Cedarbrook	10	1	2	9
Children and Youth	2	1	1	2
Compost Project	7	1	8	0
Coroner	3	1	0	4
District Attorney	43	25	15	53
Emergency Management/Hazmat	18	0	0	18
General Services (for auction)	1	6	3	4
Maintenance	3	1	1	3
Parks	23	4	1	26
Prison	7	0	1	6
Probation-Adult	3	0	0	3
Probation-Juvenile	10	6	6	10
Sheriff	16	4	4	16
Utility Services-Bridges	15	2	0	17
Utility Services-Pool vehicles	5	3	1	7
Work Program	<u>5</u>	<u>0</u>	<u>0</u>	<u>5</u>
<b>TOTALS</b>	<b><u>176</u></b>	<b><u>58</u></b>	<b><u>46</u></b>	<b><u>188</u></b>

\*Includes purchased vehicles, transfers between departments, and drug forfeiture vehicles

COUNTY OF LEHIGH, PENNSYLVANIA  
COMPLIANCE AUDIT OF COUNTY VEHICLE POLICY

*Schedule of Audit Findings and Recommendations*

1. Sheriff not in compliance with 24-hour use policy

**Condition:** Monthly vehicle reports provided by the Sheriff do not provide sufficient information to determine compliance with the 24-hour use provision of the vehicle policy. The reports do not list daily mileage or destinations. Section 4 of the policy states:

*"All continuing assignments of 24-hour vehicles must be specifically authorized and approved by the County Administration. In addition, only positions with a documented emergency call frequency averaging five (5) timers per month over a twelve (12) month period, may be provided with a vehicle for 24-hour use."*

The lack of detail also violates Section 8 of the policy requiring a daily log of mileage and trip destinations. Additionally, the Sheriff may be subject to a benefit charge for taking the vehicle home, as described in Section 7 of the policy.

(This issue was previously addressed in audit report 09-05 issued January 16, 2009.)

**Recommendation:** County Administration should reconsider assignment of a 24-hour use vehicle to the Sheriff.

2. Use of county owned vehicles by non-employees

**Condition:** We found several instances where county vehicles were used by non-employees:

Vehicle 403 (1996 Ford F-250) was used (almost exclusively) by the vendor managing the agricultural incubator at the Seem Seed Farm;

Vehicle 555 (2002 Chevy S-10) was occasionally used by a state employee at the Ag Center;

Section 5 of the policy states:

*"County Business Only: No County official or employee shall in any manner use or permit the use of County vehicles for other than County business except in an emergency situation. County business shall be defined as situations whereby an employee must conduct official county business."*

**Recommendation:** Management should prohibit use of county vehicles by non-employees, except in emergency situations (i.e. hazmat, emergency management), in compliance with the vehicle policy. Any gas cards assigned to non-employees should also be recovered. If management continues to allow use by non-employees, we recommend that their employers' sign a waiver promising to hold the county harmless in case of an accident.

COUNTY OF LEHIGH, PENNSYLVANIA  
COMPLIANCE AUDIT OF COUNTY VEHICLE POLICY

*Other Management Issues for Consideration*

*Inadequate reporting system*

Annual vehicle reports do not contain sufficient information to effectively manage fleet operations. Reports only reflect year-to-date and cumulative mileage amounts by vehicle. A manual calculation would be required to determine operating cost per vehicle per mile, which is too time consuming for a fleet of almost 200 vehicles.

Management should pursue system enhancements with the Office of Information Technology that would provide operating costs by vehicle on a timely basis. A more practical approach could be the purchase of third party fleet management/system.

*Underutilized vehicles*

During a review of monthly 2011 mileage reports we found six specific use vehicles being used only a few days per week. Below is a list of the activity for 2011 (based on 250 business days).

Vehicle 374 – '95 Chevy Astro van assigned to Aging/Chore  
Used for 60 days, averaging 23 miles per day  
Idle for 190 days

Vehicle 403 – '96 Ford F-250 pickup truck – assigned to agri. Incubator mgr.  
(audit finding # 2)  
Used for 63 days, averaging 26 miles per day  
Idle for 187 days

Vehicle 410 – '97 Ford Box truck – assigned to Cedarbrook Allentown  
Used for 62 days, averaging 24 miles per day  
Idle for 188 days  
*Update: replaced by vehicle 728, acquired 9/20/12 at a cost of \$44,250*

Vehicle 545 – '02 Ford F-250 pickup truck – assigned to Cedarbrook Fountain Hill  
Used for 111 days, averaging 22 miles per day  
Idle for 139 days

Vehicle 547 – '03 Ford F-250 pickup truck – assigned to Prison  
Used for 97 days, averaging 11 miles per day  
Idle for 153 days

Vehicle 565 – '02 Chevy ¾ ton pickup truck – assigned to Work Release  
Used for 61 days, averaging 14 miles per day  
Idle for 189 days



Consideration should be given to re-assigning or pooling these vehicles. One possible use is for transportation of voting machines to polling sites. Currently we rent trucks for moving the machines at an average cost of \$3,000 per year.

Also, spending \$44,250 to replace a vehicle used 1 or 2 days per week suggests that a review of replacement criteria is in order.

COUNTY OF LEHIGH, PENNSYLVANIA  
COMPLIANCE AUDIT OF COUNTY VEHICLE POLICY

*Schedule of Prior Audit Findings and Recommendations*

1. County Vehicle Utilization/Reassignment / Replacement Policy / Vehicle Pooling

**CONDITIONS:**

Utilization/Reassignment - For calendar year 2008, 25% (8 of 31) of the vehicles currently classified as "General Use" were driven less than 800 miles per month. Current policy states an average of 800 miles per month justifies general use vehicles be assigned to a Department-Office-Bureau (DOB).

We also noted some county departments' employees incur over 800 miles per month using their personal vehicle (please refer to finding #2). Reassignment of county vehicles occurs infrequently.

- There is no connection between the reporting of county vehicle mileage and employee mileage reimbursement for use of a personal vehicle. Accordingly, there is no process to determine if:
  - Internal reassignment of current vehicles or new vehicles should be considered; or
  - Use of employee vehicles should be required.

Replacement Policy - Vehicle replacements are considered and budgeted by DOB. When vehicle replacement is considered by general services' management, normally the office staff evaluates the vehicle age, mileage, and repair cost. Similar vehicles in all other DOBs are not normally part of the replacement evaluation.

- Vehicle replacement is not evaluated by type of vehicle (regardless of assigned DOB). Vehicle replacement requests are managed from a DOB perspective rather than a functional perspective (grouping all like vehicles and analyzing the allocation of vehicles). An analysis of like vehicles (all minivans, sedans, similar pickup trucks, etc.) revealed other options may be possible by taking a county-wide approach for vehicle replacement.

Vehicle Pooling - Planning and discussion for pooling county vehicles has continued for several years; however, a pooling system has not been implemented as you indicated in the prior audit response (controller's office audit report #07-66 dated December 20, 2007).

**RECOMMENDATION:** Revise the vehicle policy to include an analysis by vehicle type (minivans, sedans, pickup trucks, etc.) for each replacement vehicle. General services' management should maintain the analysis for each request for replacement vehicle budget request. For each replacement vehicle requested, the written analysis should list all similar type county-owned vehicles in the category. Reasons for not transferring low usage vehicles to avoid or defer a vehicle replacement purchase should be documented. The documentation should also discuss the alternate option of using a personal vehicle (if applicable). General services' management should consider grouping the existing fleet into similar types of vehicles to facilitate the vehicle replacement decision making process. The vehicle policy should delineate the common vehicle type groupings to be used to perform the reassignment/replacement analysis.

Initiate a study of each DOB assigned vehicles to determine time of day usage patterns and potential for use of personal vehicle/transfer of vehicles to pool versus department assignment. As we discussed, consider moving low mileage vehicles to pools and utilize the intranet-based system recently developed to schedule these vehicles. We remain available to meet to discuss vehicle pooling again after management’s study of usage patterns is completed.

**MANAGEMENT RESPONSE:** We have asked departments to look at their assigned vehicles and place some of them into either the general pool or the law enforcement pool for use by all county agencies. This cooperation has enabled us to launch the County’s computerized Pool Vehicle Reservation System. The information that we will collect as a result of the reservation form will provide useful data on vehicle usage and may aid in future reassignment of vehicles that are not special use and do not meet the 800 mile per month mileage threshold. In addition, information gathered on this system may help in reassigning vehicles to departments or individuals who incur a lot of personal mileage reimbursement.

Vehicle years of service, repair costs and mileage are the primary considerations and are the criteria for the vehicle replacement report that is generated to determine which vehicles are nearing the end of their useful life. Vehicle replacement does not center on DOB. We are able to produce a report by vehicle type rather than County vehicle number. This enables us to reassign a particular type of vehicle rather than replace it if similar vehicles are available at that time in our fleet.

**CURRENT STATUS:** To encourage use of county vehicles, management has transferred most of the underutilized general use vehicles to the vehicle pool (7 vehicles as of 12/31/11) and automated the pool reservation process.

2. Employees Charge Over 800 Miles/Month – County Vehicle Use Under 800 Miles/Month

**CONDITION:** We performed an analysis of county-wide business miles charged by employees. County-wide, actual, employee mileage paid by the county was \$436,880 for 2008. Our analysis revealed that the six largest offices charging business miles in 2008 were:

<b><u>Department –Office-Bureau (DOB)</u></b>	<b><u>2008 Miles Driven</u></b>	<b><u>No. of Employees in 2008 Charging Personal Mileage</u></b>
Children & Youth (OCYS)	280,128	160
Mental Retardation (MR)	127,954	54
Aging (AG)	82,640	66
Mental Health (MH)	79,172	42
Adult Probation (AP)	46,404	36
Juvenile Probation (JP)	37,411	31

These six offices represent about 82% of the employee business mileage charged to the county. While some county vehicles appear to be underutilized (refer to finding # 1), we noted several county employees, within the above offices, are averaging over 800 miles per month for county business:

<u>DOB</u>	<u>Individual 2008 Mileage Expense</u>	<u>Mileage</u>	<u>Average Per Month</u>
MR	\$6,629.26	12,164	1,014
OCYS	\$6,480.09	11,890	991
OCYS	\$6,430.08	11,798	983
MR	\$5,897.46	10,821	902

The current annual 800 mile threshold for county vehicle (general use) assignment translates into an equivalent \$4,800 cash outlay for personal vehicle mileage reimbursement (800 miles/month times 12 months @ 50 cents/mile = \$4,800 per year). No written documentation is maintained for vehicle transfer decision making.

Also, we noted a 23% decrease from 2006 to 2008 in vehicles classified as "General Use". Reducing the number of general use vehicles reduces the population of vehicles available for alternate assignment and makes fewer vehicles subject to the 800 miles per month threshold.

**RECOMMENDATIONS:** The annual review of general use vehicles should include an analysis of business miles being charged by employees. Management reports should be used each year to identify possible candidates for vehicle assignment. Written justification for internal transfer or not transferring county vehicles should be maintained by general services' management. The department of general services' management should consider assignment of vehicles to high mileage departments. General services' management should review each vehicle not currently classified for general use to determine if additional vehicles can be made available for alternate assignment (inter-office transfer or pool assignment).

**MANAGEMENT RESPONSE:** While I agree that it is prudent to compare County-owned vehicle use to personal mileage reimbursement expense, the issue becomes one of having enough vehicles available at certain time of the day to satisfy the different program needs throughout the county departments. We will annually compare the amount of personal mileage expense to County vehicle use in those departments charging high amounts of mileage expense.

**CURRENT STATUS:** Personal vehicle mileage reimbursements have decreased by 25% since 2008 (800,000 miles in 2008 compared to 600,000 miles in 2011). As a result, mileage reimbursement expenses have decreased by \$118,000 (\$437,000 in 2008 compared to \$319,000 in 2011).

3. Control Over City of Allentown Gas Keys

**CONDITION:** There were 47 vehicles with keys listed on the city's list (All Star, the City's gas system vendor). There were 36 vehicles with keys listed on the county's list of Active Vehicles. Looking at both lists together, there were 51 different county vehicles that showed as having a gas key. Some of these vehicles listed had fuel transactions while others did not show gas use. Some vehicles mileage readings did not follow consecutive odometer patterns which calls into question which vehicle actually received the gas.

**RECOMMENDATION:** The City of Allentown and the County of Lehigh should implement a system to review the listings of county vehicles with city gas keys. The vehicle list needs to be reviewed periodically so that the correct current vehicles are listed and accounted for properly. Adequate internal controls should be implemented to accurately handle the gas key creation, vehicle inventory, and fuel transactions for current county vehicles listed by the city and county.

If a comprehensive list of all county vehicles with City of Allentown gas keys cannot be compiled, all current gas keys should be deactivated and new ones issued.

**MANAGEMENT RESPONSE:** Control has been difficult because gas keys are to remain with the vehicle and users have removed them from the cars to be used in other vehicles without notification to General Services. We have implemented gas key fields on reports and gas card forms to aid in control and we will continue to work with the City to improve the control of the keys.

**CURRENT STATUS:** Recommendation has been implemented.

4. Vehicle Policy Revisions

**CONDITION:** There were numerous policy issues raised in the audit of the "Sheriff's Use of a County Vehicle" that were not addressed (refer to controller's office report #09-05 dated January 16, 2009). General services' management response to the audit report indicated policy changes would be considered after the pooling concept was developed and implemented (as previously mentioned, the pooling of vehicles remains in-progress).

The current policy was approved by Ordinance 1995 – No.145, about 15 years ago.

**RECOMMENDATION:** In addition to the issues mentioned in the prior audit findings, the county vehicle ordinance should be amended and updated. Consideration should be given to the following:

- Reconsider the value of the current assigned vehicle thresholds (800 miles per month for general use departmental vehicle assignment, five emergency calls per month for 24-hour vehicle assignment). Consider initiating a periodic, formal, zero-based budgeting approach to vehicle assignments. Using mileage to measure vehicle usage is not the only metric useful for making vehicle assignment decisions. We suggest general services' management initiate a study of vehicle hours of use as part of the periodic, formal, zero-based budget approach. Monitoring hours of use (dates/times) for random test periods every three to five years may prove to be a valuable tool to evaluate vehicle usage. An adaptation of the planned, internet-based vehicle pool assignment system could facilitate the compilation of the necessary management information.
- Include current accident reporting practices in the vehicle policy and the personnel manual. Intranet accident reports should be pre-numbered to facilitate internal reporting and provide a verifiable log of accident (liability) activity maintained by the office of human resources' management.
- Consider establishing a "go-green" initiative (biodiesel, emission standards, mpg standards for new/replacement vehicles, etc.) in the county vehicle policy.
- Include in the county vehicle policy and county personnel manual a management process to monitor qualified Pennsylvania driver status. Require employees who drive on county business (personal or county vehicle) to report driver's license suspensions to the county administration (general services' or human resources).
- Include in the county vehicle policy rules for the use of cell phones/texting/etc. We recommend the county vehicle policy prohibit the use of cell phones (including texting) while driving, and also prohibit the use of other audio/video (IPods, etc.) entertainment equipment (external to the vehicle/car radio allowed) while driving on county business (county or personal vehicle). A safe cell phone policy should be included in the county vehicle policy. Violations of the safe cell phone policy should be included in the county personnel manual.

**MANAGEMENT RESPONSE:** Any decisions to revise the vehicle policy should wait until we have sufficient data from the recently implemented pool vehicle reservation system to make any decisions that would permanently change the existing vehicle policy.

Human Resources maintains a file on all accidents. A number is assigned to each one in their incident log.

Going "green" is a great idea but is not currently possible due to the high cost of alternate energy vehicles and the high cost and low availability of alternate fuel supplies.

A policy has been established for Driver's Licenses (see Section 34-3 VI; Driver's License/Insurance of the personnel policy) and does not necessitate any further action in the vehicle policy.

The county defers to all State regulations as it relates to allowable activities, such as cell phone use, while operating a motor vehicle.

**CURRENT STATUS:** The vehicle policy has not been revised.



COUNTY OF LEHIGH  
Department of General Services

Glenn D. Solt  
Director of General Services

MEMO

TO: Glenn Eckhart, Controller  
FROM: Glenn D. Solt, Director of General Services *GDS*  
DATE: February 12, 2013  
RE: Response to Audit Findings and Recommendations

---

In response to your Compliance Audit of the County Vehicle Policy, please be advised as follows:

1. Sheriff not in compliance with 24-hour use policy

Response: The Sheriff's Department will be made aware of this requirement.

2. Use of county owned vehicles by non-employees

Response: The instances of a vehicle being driven by a non-employee is scarce at best. The law department will be asked to develop a waiver for use in such cases.

3. Inadequate reporting system

Response: Management has been and continues to work towards acquiring a fleet management system. However, budgetary considerations may prevent this from happening in the immediate future.

4. Underutilized vehicles

Response: Not all relative to vehicle use and justification for renting vs. owning is reflected in a report. Multi departmental use, immediacy of need are also considered. All things are considered when adding to or replacing fleet vehicles.

Government Center  
17 South Seventh Street  
Allentown, Pennsylvania 18101-2401  
Phone: 610-782-3001  
Fax: 610-820-3615  
[glennsolt@lehighcounty.org](mailto:glennsolt@lehighcounty.org)