




Lehigh County
Pennsylvania

OFFICE OF THE CONTROLLER

Mark Pinsley, MBA Nanton John, CFE
COUNTY CONTROLLER DEPUTY CONTROLLER

TO: Final Report Distribution
FROM: Mark Pinsley, County Controller 
DATE: August 1, 2024
RE: Compliance Audit of the County Vehicle Policy
County of Lehigh Ordinance 2017-114
“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 2017-114, *“Revising the Vehicle Policy for the County of Lehigh”* for the calendar years 2021 and 2022. Our report number 24-18 is attached.

The results of our audit are:

- Findings from the 2019-2020 audit have not been addressed, and continue to exist. Controls surrounding compliance with County of Lehigh Ordinance 2017-114 should be strengthened.
- The duty of tracking employee driver’s license and insurance information was again not performed during the audit period. Auditors were unable to validate whether employees who utilized county vehicles provided current driver’s license and insurance information to management.
- The county continues to lack a corrective action plan for employees involved in accidents using county vehicles.
- Controls over the administration and system functionality of the county’s gas/diesel pumps should be strengthened.
- The county vehicle policy should be updated to add/enhance elements in alignment to best practice in an effort to enhance employee safety and reduce potential exposure.

Attachment



COUNTY OF LEHIGH, PENNSYLVANIA

INDEPENDENT AUDITOR'S REPORT

**Compliance Audit of the County Vehicle Policy
County of Lehigh Ordinance 2017-114
*“Revising the Vehicle Policy for the County of Lehigh”***

For the Years 2021 and 2022

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

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

Background

General Services:

The Department of General Services provides functional leadership support to the Bureaus of Building Maintenance, Parks and Recreation, Bridge Utility, Vehicle Utility, Duplicating, Mail Services, Record Retention, 911 Communications Center, Emergency Management Services, Solid Waste and Recycling, Compost Facility, Public Information, Inmate Work Program and Agriculture Extension, including Farmland Preservation and the Conservation District. This office also coordinates the County utility functions and services, parking plans, vehicle fleet management and serves as a management center for all construction and modification projects for the County's general operations. General Services coordinates and supports capital improvement projects for the County in general and will seek to prioritize capital maintenance in order to maximize effective budget application. We will continue to provide management and supervisory development and training for each manager and supervisor sufficient to permit them to perform their duties effectively and comfortably. Targeted training for line employees will continue with an emphasis on safety and team work. We continue to instill a service mentality throughout the various bureaus.

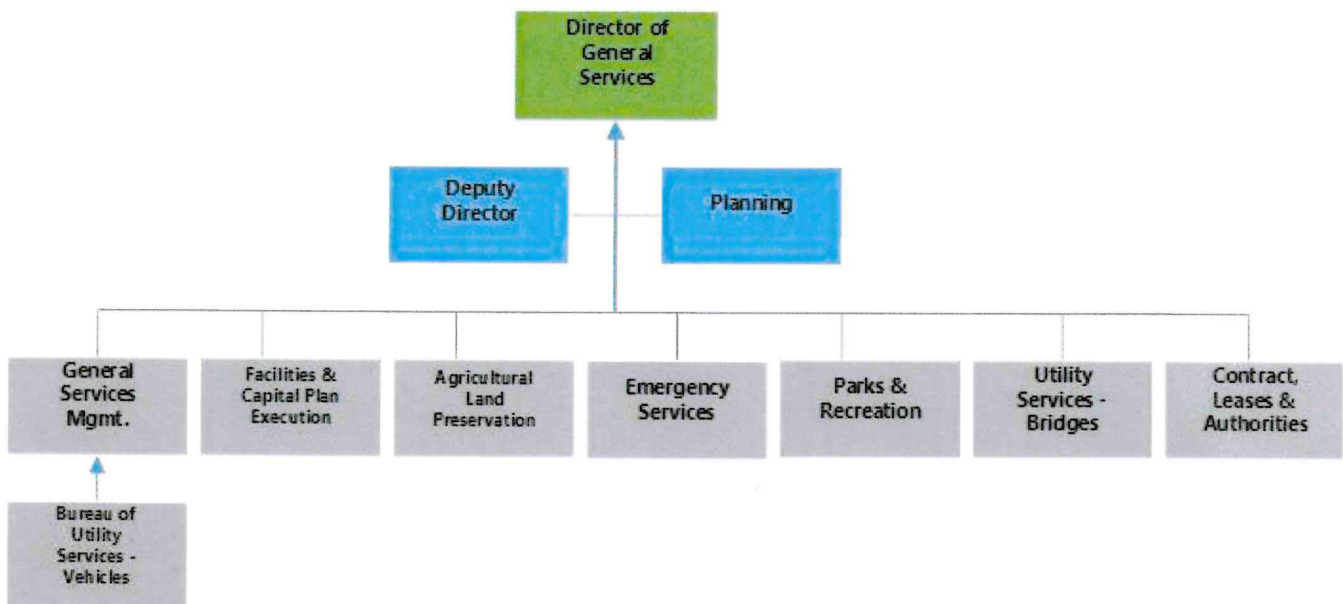
Source: County of Lehigh 2022 Budget

Vehicle Policy and related items:

Audit: The County Controller shall review compliance with this policy on a biennial basis, or upon request of the County Executive or the Board of Commissioners.

Source: County of Lehigh Ordinance 2017–No. 114 “Revising the Vehicle Policy for the County of Lehigh”

General Services Organizational Chart:





OFFICE OF THE CONTROLLER

Mark Pinsley, MBA Nanton John, CFE
COUNTY CONTROLLER DEPUTY CONTROLLER

Richard Molchany, Director
Office of General Services
Lehigh County Government Center
17 South Seventh Street
Allentown, PA 18101-2400

Compliance

We have audited the Office of General Services' management compliance with Lehigh County Ordinance 2017-114, "Revising the Vehicle Policy for the County of Lehigh" for the years 2021 and 2022. 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 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 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 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 2017-114 "Revising the Vehicle Policy for the County of Lehigh" for the years 2021 and 2022. **However, we noted compliance deficiencies or other management issues that are described in the accompanying "Schedule of Audit Findings and Recommendations".**

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 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 internal control over compliance.

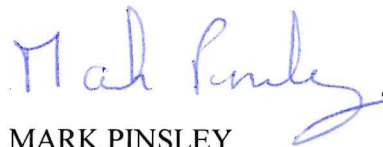
A deficiency in internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance on a timely basis. A material weakness in internal control over compliance 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.

Management's Response to the Audit

The Director of General Services' response to our audit is included in this report. We did not audit the Director of General Services' response, and accordingly, we do not express an opinion on it.

This report is intended solely for the information and use of county management and is not intended to be and should not be used by anyone other than these specified parties listed in the final distribution below. However, this report is a matter of public record and its distribution is not limited.



MARK PINSLEY
County Controller

July 31, 2024
Allentown, Pennsylvania

Audited by: Joseph Buick

Final Distribution:

Phillips Armstrong, County Executive
Board of Commissioners
Paul Chambers, Trade Foreman, Utility Garage
Scott Clark, Risk Manager
Edward Hozza Jr., Director of Administration
Keisha McCollin-Bulluck, Chief Human Resources Officer
Heather Reed, Director of Children and Youth Services
Timothy Reeves, Chief Fiscal Officer
Stanley Rugis, Deputy Director, General Services
Angela Zemyan, Manager, General Services

COUNTY OF LEHIGH, PENNSYLVANIA
 COMPLIANCE AUDIT OF COUNTY VEHICLE POLICY
Reconciled Vehicle List per Vehicle Form, By Department, as of December 31, 2022

Department	Vehicles per General Services Report	Audit Adjustments	Reconciled Number of Vehicles	Adjustment Notes
Adult Probation	4		4	
Aging	1		1	
Blank	1	-1	0	A
Cedarbrook - Admissions	2		2	
Cedarbrook - Facilities	2		2	
Community Corrections	2		2	
Coroner	7		7	
District Attorney (DA)	10		10	
DA - Auto Theft	11		11	
DA - Drug Task Force	30	1	31	B
DA - Insurance Fraud	4		4	
DA - Narcotics Information	0		0	
Detox Center Maintenance	0		0	
Emergency Management	18	1	19	C
Fountain Hill - Facilities	1	1	2	A
General County - Archives	0		0	
General Services	5		5	
Government Center	4		4	
Hazmat	4		4	
Juvenile Probation	10		10	
Maintenance	2		2	
Children and Youth Services	2		2	
Office of the Jail	4		4	
Parks and Recreation	31	4	35	D
Sheriff - Civil	8		8	
Sheriff - Court	4		4	
Sheriff - Operations	5		5	
Sheriff - Warrants	4		4	
Utility Service - Bridges	13		13	
Utility Service - Vehicles	7	-2	5	E
Work Program	5		5	
	201	4	205	

A: Vehicle #697 transferred 1/16/2020 to Cedarbrook Fountain Hill, was incorrectly coded

B: Vehicle #886 was added to the fleet (6/2022)

C: Vehicle #876 was added to the fleet (9/2021)

D: Vehicles #879, 880, & 890 were added to the fleet (2022); and vehicle #878 was transferred 2/2022 from Utility Services-Vehicles

E: Vehicles #712 & 550 were sold 5/2022

COUNTY OF LEHIGH, PENNSYLVANIA
COMPLIANCE AUDIT OF COUNTY VEHICLE POLICY

Summary of Employee Mileage Expense from 2021 to 2022

Top 5 Departments	<u>2021</u>	<u>2022</u>
1). Children & Youth	\$ 93,024	\$ 128,536
2). Aging	7,995	25,797
3). Mental Health	8,022	18,035
4). Adult Probation	7,002	10,171
5). Assessment	<u>6,023</u>	<u>8,705</u>
Total for Top 5 Departments	<u>\$ 122,066</u>	<u>\$ 191,244</u>
Percentage of Total Mileage Expense	83%	81%
Total Mileage Expense	<u>\$ 147,459</u>	<u>\$ 235,851</u>

Source: General Ledger Accounts

It should be noted that total mileage expense in 2019 and 2020 was \$317,117 and \$161,152, respectively. Based on the expense decrease experienced from 2020 through 2022, it appears this time-frame aligns with the COVID-19 pandemic.

COUNTY OF LEHIGH, PENNSYLVANIA
COMPLIANCE AUDIT OF COUNTY VEHICLE POLICY

Schedule of Current Audit Findings and Recommendations

1. Inadequate Periodic Review and Inaccurate Reporting

Condition: The vehicle policy mandates that the Office of General Services shall annually review all general use assigned vehicles for compliance with the vehicle policy. In addition, they are also required to maintain a county-wide roster of all vehicle assignments and shall submit a vehicular fixed asset list, complete with a compilation of all asset transfers, to the Fiscal Office, Board and the Controller. Adherence to the policy provides assurance as to the accuracy and completeness of vehicle management.

Discrepancies with reported vehicle information were identified when testing vehicle justification records, 24-hour vehicle assignment, Special Use Verification forms, accident reporting forms, monthly reporting logs, and inventory.

Recommendation: The Office General Services should reevaluate their administrative, reporting, and oversight processes in an effort to strengthen controls, providing assurance of compliance with the vehicle policy and the accuracy of vehicle information.

2. Noncompliance with 10-day written notification and Untimely Vehicle System updates

Condition: The vehicle policy mandates any permanent vehicle reassignments must be done in accordance with policies and procedures, and requires 10-day written notification to the Fiscal Office, the Board of Commissioners, and the Controller. This notification is accomplished using the “Vehicle Assignment Form” which also requires management approval. The form serves as an internal control to add, change, and remove vehicles on the roster as they occur, and is also used to update the KEA vehicle system. As noted in our previous audit, several instances were identified of untimely vehicle assignment form completion, vehicle assignment forms not completed or approved by management, which led to untimely or inaccurate vehicle system updates, inaccurate vehicle reports used by management (as noted adjustments on page 4 of this report), and untimely reassignment notification to required parties. The overall manual nature of this process increases the risk of human error, and appears to be a major contributing factor to the inaccuracies identified.

Recommendation: The Office of General Services should ensure the above-mentioned form is consistently used for all vehicle reassignments, properly authorized, and provided to the required recipients within the 10-day period as required under the vehicle policy. Until a more automated administrative system/application is implemented to enhance the accuracy and timeliness of vehicle changes, consideration should be given to performing periodic reconciliations of vehicle changes to reduce the risk of human error from manual recordkeeping.

3. Noncompliance with Employee Proof of Driver’s License and Insurance Information

Condition: The County of Lehigh Personnel Policies & Procedures Manual cites that “Employees, who in the course of their employment, transport clients or use County vehicles or their own vehicles for County business, must show proof of insurance on an annual basis”. As noted in our previous audit report, the Office of Human Resources has developed a method to track an employee’s proof

of a driver's license and an insurance policy; however, there was no evidence provided that this task was performed during 2021 and 2022. Auditors were unable to validate employees who used a county vehicle possessed a valid driver's license. The duties associated with this task appears to have not been reassigned.

Recommendation: Management should assign the responsibility of notifying departments, and subsequently receiving and tracking provided proof of driver's license and insurance information for compliance with the policy. Failure to document this may increase the County's liability risk exposure. Employees who do not comply should not be allowed to drive a county vehicle.

4. Lack of Corrective Action for Employees with Multiple Accident Reports

Condition: The Office of General Services mandates the use of a "County Vehicle Accident Report Form" by employees involved in incidents using a county vehicle. Accident report analysis for the audit period indicated ten drivers consisting of 23 reports (32% of total reports in 2021 and 2022), were involved in multiple accidents due to various reasons. As noted in our previous audit, the County does not have a policy or employ a Corrective Action Plan (CAP) for employees involved in one or more accidents. General Services relies on department management's judgement in determining whether employees should face any disciplinary action. Employees involved in multiple accidents pose a greater risk of reoccurrence and financial liability to the County.

Recommendation: Management should consider partnering with the insurance carrier to implement a Corrective Action Plan, including an employee acknowledgement form, vehicle training, defensive driving certification, and a driver safety program, before allowing offending employees to use a county vehicle. Establishing a CAP assists in minimizing risk and potentially reduces insurance premiums. Employees who do not comply should not be allowed to drive a county vehicle.

5. Lack of Insurance Claim Documentation

Condition: During the audit period, the Office of Human Resources (HR) was responsible for the County's Risk Management, which includes accurately documenting all insurance and liability claims for, or against the County. As noted in our previous audit, HR did not maintain or provide adequate documentation of claimable events resulting from vehicle accidents reported. Auditor was unable to trace insurance carrier's auto insurance claims information to HR department records. The duty associated with this task appears to have not been reassigned.

In addition, identified one instance where an accident repair cost exceeded the County's insurance deductible, but the claim was not submitted for reimbursement. After bringing this to management's attention, the County recovered \$2,030.56 from our insurance carrier.

Recommendation: Management should ensure this duty is reassigned, and employ a process of documenting all accident reports, insurance claims, and subsequent dispositions.

6. Gas Pump System Control Breakdown

Condition #1: As noted in the previous audit, the County gas pump system (GasBoy) allows approved employee access for gas can refills using a specific code. The administrative system uses a control feature that limits gas can refill to 15 gallons. Audit testing revealed fifteen instances during

2021 and 2022 of gas usage that exceeded the 15-gallon maximum allowed, for which management was unable to determine the reason. There appears to be a breakdown in this control feature which increases the risk of excessive or potentially fraudulent refills.

Condition #2: The administration of GasBoy access is not kept current, and there is no preventive control alerting General Services of employee terminations providing assurance that only authorized employees are accessing the GasBoy system. Although audit testing did not reveal any unauthorized access by terminated employees during the audit period, the following exceptions were noted:

- Two employees were rehired and assigned new employee numbers; however, both employees continue to access the GasBoy system with old employee numbers;
- As noted in our prior audit, one employee number is incorrectly entered in the GasBoy system and has not been corrected;
- One non-employee who is properly authorized to access the GasBoy system has two assigned and used IDs;
- One authorized employee is accessing GasBoy with an ID other than their employee number.

Recommendation #1: Being aware of the gas can control failure, management should actively monitor usage and investigate why this control feature is not functioning as intended. Consideration should be given to contacting the vendor and the Office of Information Technology for possible solutions to this issue.

Recommendation #2: The GasBoy system should be updated on a timely basis to provide assurance that only authorized access is permitted. This should include a feed from the county's personnel system of all employment changes and terminations, and a periodic validation of all non-employee access privileges.

7. Fuel Gas Card (WEX) Validation and Payment Controls

Condition: The Office of General Services is responsible for the review and payment approval of the County's fuel gas card invoices. The following instances were identified through testing of controls:

- Of the 12 monthly invoices paid in 2022, only six provided detail of gas card usage. Auditor was unable to validate authorized usage for the remaining six invoices.
- As noted in our previous audit, although various departments use the fuel gas cards, the total of all 2022 invoices were coded/charged to one department.
- Identified an employee with several instances of odometer entry inconsistencies, and an instance of potential impropriety (gas card usage for two different cars in Morgantown PA and Allentown PA, 3 minutes apart).

Recommendations:

- Management should immediately investigate the activity of the identified employee noted above to ascertain reasons for the noted instances.
- Management should request and review the missing 2022 invoices details, and any subsequent missing invoice details, to validate authorized use and identify/pursue potential improprieties.
- Management should reevaluate their processing, review, approval and account coding controls to ensure the propriety of gas card usage, accuracy and completeness.

8. Underutilization of Vehicles Assigned to the Office of Children and Youth Services

Condition: The Office of Children and Youth Services (OCYS) accounted for 58% of the County’s reimbursement expense for employee personal mileage (\$221,560 out of a total cost of \$383,310) for calendar years 2021 and 2022. Detailed audit testing was performed to determine if OCYS was adequately using the two vehicles that were assigned to their department during the audit period. In reviewing three of the top five OCYS employees receiving mileage expense reimbursements during three randomly selected months in 2021 and 2022, it was determined employees opted to use their personal vehicle 18%, 75%, and 100% of the time when a county vehicle assigned to OCYS was unused and available for use.

The non-use of County owned vehicles is in violation of the PSSU Collective Bargaining Agreement (2019-2022), where it states “The use of a privately-owned vehicle is permissible if a county vehicle is not available”.

Recommendation: OCYS management should understand the reason(s) for the underutilization of their assigned County vehicles, and reiterate and monitor compliance with the PSSU Collective Bargaining Agreement. Once the reason(s) are identified, OCYS management should work with the Office of General Services to address changes to improve utilization in the most economical approach.

9. Vehicle Policy Best Practices

Condition: Based on the comparison of the county policies to best practices, the current requirements related to employees operating vehicles on county business is not centralized in a single document/policy. In addition, there also appears to be an opportunity to enhance and add to our specific requirements in comparison to best practices, and to better communicate and obtain employee acceptance of the policy during the onboarding process enhancing employee safety and reducing potential exposure.

Recommendations: The Office of General Services should work with the Risk Manager, Human Resources and Department of Law to consolidate the various aspects of the vehicle policy and consider revising the policy to add/enhance the following best practice elements/requirements:

- Define Driver Eligibility/Qualifications (current active driver license; appropriate insurance coverage, license class, year of driving experience, etc.)
- Establish Clear Driving Criteria (defining driver record criteria, monitoring MVRs, etc.)
- Personal Use Vehicles (appropriate insurance coverage)
- Self-Reporting of all violations, accidents and license suspensions (protocols, timeliness)
- Define Driving Rules (seat-belt usage, phone usage, distracted driving, impaired driving reckless/aggressive driving, traffic rules, etc.)
- Accident Procedures (clear protocols, indication of point-person, etc.)
- Vehicle Policy Limitations (personal use, allowed passengers, etc.).

In addition, the County should look for ways to communicate the policy more effectively. If a position may require driving a county or personal vehicle, the vehicle policy should be part of the employee’s on-boarding procedures. It may be beneficial to require the employees, on an annual basis, indicate by signature their reading and understanding of the vehicle policy.

COUNTY OF LEHIGH, PENNSYLVANIA
COMPLIANCE AUDIT OF COUNTY VEHICLE POLICY

Schedule of Prior Audit Findings and Recommendations
(Report #22-02; issued 01/13/2022)

1. Noncompliance with 10-day written notification and Untimely Vehicle System updates

Condition: The vehicle policy mandates any permanent vehicle reassignments must be done in accordance with policies and procedures, and requires 10-day written notification to the Fiscal Office, the Board of Commissioners, and the Controller. This notification is accomplished using the “Vehicle Assignment Form” which also requires management approval. The form serves as an internal control to add, change, and remove vehicles on the roster as they occur, and is also used to update the KEA vehicle system. During this engagement, auditors identified several instances of untimely vehicle assignment form completion, vehicle assignment forms not completed or approved by management, which led to untimely or inaccurate vehicle system updates, inaccurate vehicle reports used by management, and untimely reassignment notification to required parties. The overall manual nature of this process increases the risk of human error, and appears to be a major contributing factor to the inaccuracies identified.

Recommendation: The Office of General Services should ensure the above-mentioned form is consistently used for all vehicle reassignments, and provided to the required recipients within the 10-day period as required under the vehicle policy. Consideration should be given to enhancing the process and the vehicle system application using a more modern, automated approach to managing the vehicle fleet. This will improve reporting accuracy and timeliness, and reduce the risk of human error from manual recordkeeping.

Management’s Response: The Department of General Services will continue to develop technology to eliminate the continued need for manual processing. The project is on the current IT list; however, we deem this to be a moderate level priority and will be completed as time permits.

Current Status: No action was taken by management regarding recommendation. See Schedule of Current Audit Findings and Recommendations #1 on page 6 of this report.

2. Noncompliance with Employee Proof of Driver’s License and Insurance Information

Condition: The County of Lehigh Personnel Policies & Procedures Manual cites that “Employees, who in the course of their employment, transport clients or use County vehicles or their own vehicles for County business, must show proof of insurance on an annual basis”. The Office of Human Resources has developed a method to track an employee’s proof of a driver’s license and an insurance policy; however, there was no evidence provided that this task was performed during 2019 and 2020. Auditors were unable to validate employees who used a county vehicle possessed a valid driver’s license. The duties associated with this task appears to have not been reassigned.

Recommendation: Management should assign the responsibility of notifying departments, and subsequently receiving and tracking provided proof of driver’s license and insurance information for compliance with the policy. Failure to document this may increase the County’s liability risk exposure. Employees who do not comply should not be allowed to drive a county vehicle.

Management's Response: The Department of General Services will be hiring a Deputy Director in 2022. One of the initial projects for this hire will be developing a process for Employee Proof of Driver's License and Insurance information. I expect this new process to be developed in 2022.

Current Status: No action was taken by management regarding recommendation. See Schedule of Current Audit Findings and Recommendations #3 on page 6 & 7 of this report.

3. Lack of Insurance Claim Documentation

Condition: The Office of Human Resources is responsible for the County's Risk Management, which includes accurately documenting all insurance and liability claims for, or against the County. During the audit period, the Office of Human Resources did not maintain or provide adequate documentation of claimable events resulting from vehicle accidents reported. Auditor was unable to trace insurance carrier's auto insurance claims information to HR department records. The duty associated with this task appears to have not been reassigned.

Recommendation: Management should ensure this duty is reassigned, and employ a process of documenting all accident reports, insurance claims, and subsequent dispositions.

Management's Response: The Department of General Services will be hiring a Deputy Director in 2022. One of the initial projects for this hire will be developing a process for Employee Proof of Driver's License and Insurance information. I expect this new process to be developed in 2022.

Current Status: No action was taken by management regarding recommendation. See Schedule of Current Audit Findings and Recommendations #4 on page 7 of this report.

4. Lack of Corrective Action for Employees with Multiple Accident Reports

Condition: The Office of General Services mandates the use of a "County Vehicle Accident Report Form" by employees involved in incidents using a county vehicle. Accident report analysis for the audit period indicated eight drivers consisting of eighteen reports (40% of total reports in 2019 and 2020), were involved in multiple accidents due to various reasons. Auditor inquiry determined the County does not have a policy or employ a Corrective Action Plan (CAP) for employees involved in one or more accidents. General Services relies on department management's judgement in determining whether employees should face any disciplinary action. Employees involved in multiple accidents pose a greater risk of reoccurrence and financial liability to the County.

Recommendation: Management should consider partnering with the insurance carrier to implement a Corrective Action Plan, including an employee acknowledgement form, vehicle training, defensive driving certification, and a driver safety program, before allowing offending employees to use a county vehicle. Establishing a CAP assists in minimizing risk and potentially reduces insurance premiums. Employees who do not comply should not be allowed to drive a county vehicle.

Management's Response: The Department of General Services will be hiring a Deputy Director in 2022. One of the initial projects for this hire will be developing a process for County Vehicle usage. The Deputy Director will work with current insurance provider to initiate a best practice (or policy) for vehicle usage, in addition, the best practice (or policy) will be developed to include reviews and audits of accidents and provide corrective action required. I expect this new process to be developed in 2022.

Current Status: No action was taken by management regarding recommendation. See Schedule of Current Audit Findings and Recommendations #5 on page 7 of this report.

5. Underutilization of Vehicles Assigned to the Office of Children and Youth Services

Condition: The Office of Children and Youth Services (OCYS) accounted for 48% of the County's reimbursement expense for employee personal mileage (\$223,550 out of a total cost of \$462,639) for calendar years 2019 and 2020. Detailed audit testing was performed to determine if OCYS was adequately using the two vehicles that were assigned to their department during the audit period.

In reviewing three of the top five OCYS employees receiving mileage expense reimbursements during three randomly selected months in 2019 and 2020, it was determined employees opted to use their personal vehicle 67%, 57%, and 100% of the time when a County vehicle assigned to OCYS was unused and available for use.

Recommendation: The Office of General Services should continue to monitor and evaluate the number of vehicles assigned to OCYS. A strong emphasis should be placed on the most economical approach, which would be to use County vehicles first before using one's own personal vehicle to conduct business on behalf of Lehigh County. Management has added a percentage of usage indicator to the monthly vehicle logs submitted by departments, which should be closely monitored to ensure policy compliance and evaluate the economic use of county assets.

Management's Response: The Department of General Services will be hiring a Deputy Director in 2022. One of the initial projects for this hire will be developing a process for evaluating the departmental need for vehicle assignment; as well as, developing best practices to ensure vehicle usage is correctly being administered throughout departments. I expect this new process to be developed in 2022.

Current Status: No action was taken by management regarding recommendation. See Schedule of Current Audit Findings and Recommendations #6 on page 7 & 8 of this report.

6. Gas Pump System Control Breakdown

Condition: The County gas pump system (GasBoy) allows approved employee access for gas can refills using a specific code. The administrative system uses a control feature that limits gas can refill to 15 gallons. Audit testing revealed fifteen instances of gas usage that exceeded the 15-gallon maximum allowed, for which management was unable to determine the reason. There appears to be a breakdown in this control feature which increases the risk of excessive or potentially fraudulent refills.

Recommendation: Management should investigate why this control feature is not functioning as intended. Consideration should be given to contacting the vendor and the Office of Information Technology for possible solutions to this issue.

Management's Response: The Office of Utility Vehicle will immediately reach out to the County gas pump system (GasBoy) and ensure the system is acting in the required manner. I expect resolution for this system failure will be completed in the first quarter of 2022.

Current Status: No action was taken by management regarding recommendation. See Schedule of Current Audit Findings and Recommendations #8 on page 8 & 9 of this report.

TO: Mark Pinsley, County Controller
FROM: Richard D. Molchany, Director of General Services
DATE: July 28, 2024
RE: Audit Comments
Schedule of Audit Findings and Recommendations

Current Audit Findings and Recommendations

1.

Inadequate Periodic Review and Inaccurate Reporting

General Services will continue to request IT technical support for system automation. The current process depends upon human action to review, and enter via paper documents. If documents are missing, the report is in error. By establishing cradle to grave IT system support, the report will be accurate, timelier and assist the County to quickly identify opportunities.

General Services will review the current Vehicle Policy and make recommendations to strengthen areas of concern, with emphasis on the specialty vehicle compliance (24 hour, out of service area usage, etcetera).

2.

Noncompliance with 10-day written notification and Untimely Vehicle System updates

General Services will continue to support these needs via manual operations; however, as stated in previous audits, we need to have IT technical support to automate the process. Cradle to grave reporting will alleviate manual error in the reporting process.

3.

Noncompliance with Employee Proof of Driver's License and Insurance Information

The Department of General Services has hired a Deputy Director in 2022. The Deputy was pulled from this initiative and moved to the Cedarbrook Construction project support. However, in 2023, Lehigh County has hired a Risk Manager. This initiative will be the responsibility of the risk manager and General Services to provide a process for Employee Proof of Driver's License and Insurance information. I expect this new process to be developed, and initiated in 2024.

4.

Lack of Corrective Action for Employees with Multiple Accident Reports

The Department of General Services has hired a Deputy Director in 2022. The Deputy was pulled from this initiative and moved to the Cedarbrook Construction project support. However, in 2023, Lehigh County has hired a Risk Manager. The Risk Manager will work with current insurance provider to initiate a best practice (or policy) for vehicle usage, in addition, the best practice (or policy) will be developed to include reviews and audits of accidents and provide corrective action as required. The risk management information requirements will be included in a revision of the Vehicle Policy update. I expect this new process to be developed in 2024. Failures to comply with vehicle usage procedures will be documented in the updated policy review, including corrective action that may include disciplinary activity.

5.

Lack of Insurance Claim Documentation

In 2023, Lehigh County has hired a Risk Manager. The Risk Manager will work with current insurance provider to initiate a best practice (or policy) for vehicle usage; in addition, the best practice (or policy) will be developed to include reviews and audits of accidents and provide corrective action as required. The risk management information will be included in a revision of the Vehicle Policy update. Failures to comply with vehicle usage procedures will be documented in the updated policy review. I expect this new process to be developed in 2024.

6.

Gas Pump System Control Breakdown

Should the GasBoy system experience an operating failure, The Office of Utility Vehicle will immediately reach out to the County gas pump system and ensure the system is acting in the required manner.

Having an automatic system, that updates and removes the inactive list of staff will prevent the risk of unauthorized fuel distribution. This system, will interact with the gas pump system to eliminate the risk of unauthorized usage. General Services will continue to lobby for a cradle to grave vehicle management system.

It was noted, during the election equipment delivery process, our General Services staff uses rental vehicles, and those rentals are accounting for the various times of fuel usage, greater than 15 gallons per transaction. Future election supported fuel usage will be accurately accounted, to ensure policy compliance.

General Services will continue to promote automated system support to alleviate the risk of unwanted and unauthorized gas usage. Staff failures to follow usage procedures will be identified in the update Vehicle Policy review.

7.

Fuel Gas Card (WEX) Validation and Payment Controls

General Services will review the WEX gas card usage program. It is our intent to validate all transactions, and reconcile monthly invoicing. This general staff requirement to accurately record and present the data for transaction validation will be included in the updated Vehicle Policy review. Importance of this reconciliation is to ensure the departmental cost centers are charged respectively for the expenses that they encounter.

8.

Underutilization of Vehicles Assigned to the Office of Children and Youth Services

The Department of General Services will continue to promote the current vehicle policy that requires using County vehicles prior to personal vehicles. GS will work with Human Services (HS) to ensure the Vehicle Policy adherence. Note, as we have seen impacts of the COVID19 pandemic, HS has authorized personal vehicle use from remote locations. We have requested that HS doesn't provide vehicle reimbursement for visits to the first meeting. The first meeting, is similar to an employee coming into the office; therefore, not authorized for mileage reimbursement.

We will continue evaluating the departmental need for vehicle assignment; as well as, developing best practices to ensure vehicle usage is correctly being administered throughout departments. General Services will meet and review the policy with HS, and ensure the vehicle sign out sheets are complete, including a supervisor sign off.

General Services will review the current Vehicle Policy and make recommendations to strengthen vehicle usage areas of concern.

9.

Vehicle Policy Best Practices

The current Vehicle Policy will receive a review, with a goal to update areas of opportunity. The policy update will include areas identified in the audit; as well as, operating improvements for reporting requirement success. The policy should include failure to comply statements. Too often, staff believe it is a right to operate vehicles; when in fact, it is a privilege to operate County vehicle assets.

Management Comments & Future Considerations

- **Complete review of the current Vehicle Policy**

- A Vehicle Policy review will update operational opportunities to ensure County asset management.

- **Alternative Fuel Use Vehicles**

The vehicle fleet is comprised of roughly 200 vehicles (per KEA vehicle system) of various types and usage throughout the county. Currently, there are no vehicles on the roster which use an alternative fuel source. In an economy of rising gasoline costs and technology advancements, there appears to be benefits and cost savings from using electric or other alternative fuel sources to power vehicles used in the fleet. General Services, through capital planning will continue to evaluate alternative fuel use vehicles.

- Factors to consider include:

- **Vehicle costs** - conventional vehicles typically cost less than alternative fuel use vehicles; however, the higher-upfront costs spread over the life of the vehicle can produce significant savings.
- **Fuel/Electric costs** - the average cost of charging EVs or PHEVs appear to be significantly less than the average cost of fuel used in conventional vehicles.
- **Maintenance costs** - alternative fuel use vehicles appear to benefit from lower maintenance costs compared to conventional vehicles largely due to the fact that they do not use traditional motors and parts. The fleet would also benefit from decreased service down time.
- **Batteries** - with advances in battery technology, most batteries for EVs and PEVs last an average of 12 to 15 years in moderate climates and 8 to 12 years in extreme ones.
- **Emissions** - significant advantages exist, as EVs produce zero tailpipe emissions.

- **Driving range** - EVs have a shorter range per charge than comparable conventional vehicles have per tank of gas. Technology advances continue to improve EV efficiency as well as high powered charging equipment.
- **Laws & Incentives**- there are various State and Federal grant funding and incentive programs available for use in reducing the implementation costs of charging stations and vehicle purchase.
- **Regional/Local developments** - recently, PPL Corp. joined a national coalition to promote a network of rapid-charging stations for electric vehicles, with the goal of advancing a cleaner energy future and reducing range anxiety. Regionally, Central Bucks EMS conducted an alternative fuels feasibility study to determine the benefits and return on investment (ROI) of transitioning eligible vehicles within their fleet.

This initiative is being (and has been) discussed at the Lehigh Valley Transportation Study (Federal, Commonwealth and Local) and we are developing plans for “alternate fuel distribution” opportunities throughout our regional area. The Federal Infrastructure Act has dedicated funding for alternative fuel initiatives, and these funding opportunities are being evaluated.

All alternative fuel initiatives need to have the appropriate and functioning support mechanism to be an effective and efficient source of alternate vehicle management. The County will explore options, which may include leasing opportunity for standard vehicles (typically used for human movement), and determine the opportune means to manage the fleet.

Schedule of Prior Audit Findings and Recommendations

(Report #22-02; issued 01/13/2022)

General Services has taken action on the items listed in the 2022 Vehicle Audit. Efforts were made to improve reporting requirements. To categorize that management hasn't taken action is an error. County was taking actions during the COVID19 pandemic, and those immediate need actions may have taken priority. Many of our improvement initiatives were reviewed, and other higher valued initiatives were developed and executed.

We continue to review the reporting obligations, and request system, and individual departmental support.

General Services believes a review of the current Vehicle Policy, with recommended updates, approved by the Executive and Board of Commissioners, will provide departmental vehicle usage training that will improve compliance.