



INTERNAL AUDIT DEPARTMENT

**CLARK COUNTY
AUDIT OF EMERGENCY RESPONSE VEHICLES
as of March 31, 1999**

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October 26, 1999

Mr. Dale Askew
Clark County Manager
500 South Grand Central Parkway, 6th Floor
Las Vegas, Nevada 89155

Dear Mr. Askew:

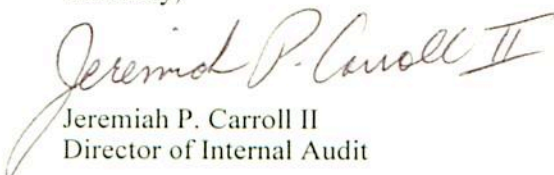
As part of our annual audit plan, we have completed a compliance audit of Administrative Guideline No. 7, "County Vehicles." In particular, we reviewed the appropriateness of 24-hour duty assignments granted employees for emergency response purposes and the propriety of the assignment of unmarked vehicles.

The review covered the vehicles assigned as of March 31, 1999.

A review of all non-fire department vehicles assigned to county employees on a 24-hour duty basis indicates the majority of employees assigned such vehicles are managers and senior level supervisors who are not needed for routine emergency response. In the rare instances such personnel would be called back in an emergency, a county vehicle would be expected to provide no advantage in accelerating response over a personal vehicle. This practice results in significant unnecessary expense to the County and increased liability in the event of accidents. There were no significant problems noted in the assignment and use of unmarked vehicles. Other exceptions to Administrative Guideline No. 7 are noted and included in the report.

A draft report was provided to The Manager's Office, and their response is included. The assistance and cooperation of the Automotive Division of General Services is recognized and sincerely appreciated.

Sincerely,


Jeremiah P. Carroll II
Director of Internal Audit

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CLARK COUNTY
AUDIT OF EMERGENCY RESPONSE VEHICLES
as of March 31, 1999

BACKGROUND

Nevada Revised Statutes (NRS) 244.296 states that the Board of County Commissioners "shall establish guidelines for the use of automobiles and other motor vehicles owned by such county." Therefore, the County Manager issued Administrative Guideline No. 7, "County Vehicles," to comply with the NRS. This guideline established four valid reasons for assignment of a vehicle to an employee on a 24-hour duty basis:

1. the user is subject to emergency call-out outside normal shift hours;
2. the user has variable work sites where it is impractical for the user to report to a regular duty station to obtain a vehicle first;
3. the assignment can reduce the County's risk of liability for injury or damage to county assets;
4. the County Manager has determined the assignment is in the best interest of the County.

The guideline also established a Vehicle Review Committee to review applications for assignment of a vehicle to 24-hour duty status and established criteria for use of unmarked vehicles and flashing lights and sirens.

In 1990, the Vehicle Review Committee consisting of three department directors: Earl Hawkes, Director of General Services; Cheryl Miller, Director of Personnel; and Guy Hobbs, Director of Finance, reviewed all assignments of 24-hour duty vehicles. This review resulted in the elimination of all 24-hour duty vehicle assignments not used for emergency response. This was announced in Manager's Information Report No. 3733 on October 23, 1990, and seventy-one vehicles, primarily executive vehicles, were removed from 24-hour status. The only 24-hour duty vehicles remaining were twenty-seven at the Department of Public Works and an unknown number at the Fire Department. Almost immediately people began to request being placed back on 24-hour vehicle status citing emergency response as a reason. Since that initial review, fifty-two additional county employees, other than fire department personnel, have been reinstated or given their first 24-hour duty status.

OBJECTIVES, SCOPE AND METHODOLOGY

Objective

The objective of our examination was to determine if county departments were complying with Administrative Guideline No. 7, "County Vehicles." In particular, we reviewed the appropriateness of 24-hour duty assignments granted employees for emergency response purposes and the propriety of the assignment of unmarked vehicles.

Scope

Audit evidence for the appropriateness of 24-hour duty status and unmarked vehicle assignments was examined on all vehicles listed by the Automotive Division of General Services (Automotive) as being in that status as of March 31, 1999. Our last day of fieldwork was June 28, 1999.

Methodology

To accomplish these objectives, a preliminary survey was conducted that included reviewing applicable state laws, interviewing management and staff, and performing and documenting walkthrough observations of office functions. Since our preliminary survey indicated that, with the minor exception of one vehicle in the Surveyor's office, all approved 24-hour duty assignments had been justified as being necessary for emergency response, we did not include any other reason in our audit for justification of 24-hour duty status.

To justify the emergency nature of the required response, we read the County's emergency response plans and talked with department personnel. To obtain an understanding of the frequency of emergency calls, we read Las Vegas Metropolitan Police Department's (Metro's) county emergency call out logbook maintained at their switchboard and talked to personnel at the Nevada Highway Patrol and Clark County Fire Dispatch switchboards. In addition, we performed such other procedures as we considered necessary in the circumstances.

Our audit was conducted in accordance with generally accepted government auditing standards.

RESULTS IN BRIEF

A review of all non-fire department vehicles assigned to county employees on a 24-hour duty basis indicates the majority of employees assigned such vehicles are managers and senior level supervisors who are not needed for routine emergency response. In the rare instances such personnel would be called back in an emergency, a county vehicle would be expected to provide no advantage over a personal vehicle in accelerating response. In addition, a number of these 24-hour vehicles appear to be assigned to individuals whose position does not seem to warrant a county vehicle assigned for their exclusive use during their normal working shift. Also, many of these vehicles appear to be the more expensive models of sports utility vehicles such as the Ford Explorer XLT and Chevy Tahoe. These practices result in significant unnecessary expense to the County and increase liability in the event of accidents. This excess assignment of 24-hour duty vehicles appears to be largely attributable to several department directors who have routinely forwarded such requests to the Vehicle Review Committee without an appropriate level of prior review.

The assignment and use of unmarked vehicles appears reasonable for the majority of uses reviewed, however there were some assignments that did not appear appropriate.

DETAIL OF FINDINGS

Emergency Response Vehicles

Although 24-hour vehicle status is allowed for purposes other than emergencies, it has rarely been granted. As a result, with minor exceptions, applicants appear to have claimed emergency use as the principle reason for being granted a 24-hour vehicle. Therefore this analysis considered only that reason. After review of available records of actual emergency responses, we estimate that as many as sixty of the seventy-nine vehicles listed on Automotive's records as being authorized 24-hour vehicles are not really needed for that purpose. It appears that the frequency of callbacks and the chances of future callbacks were overstated on the applications to the Vehicle Review Committee. This excess assignment of vehicles for emergency use results in significant additional costs to the County for fuel and maintenance and increases the liability of the County in case of accident both as to potential workman's compensation and liability. We recommend that the County Manager direct an immediate review of all 24-hour vehicle assignments by the Vehicle Review Committee. Such a review should include the Fire Department.

Airport Emergency Vehicles and Non-standard Markings

The Aviation Department had all 24-hour vehicles withdrawn in 1990. Four 24-hour vehicles were subsequently approved in 1992 for the use of Assistant Directors for emergency recall purposes. Since that time the list of people with 24-hour vehicles has grown to eighteen. None of the additions were properly requested or approved. All but one appear to be given to Assistant Directors or senior supervisors.

A review of available facts does not support assignment of at least nine of the eighteen 24-hour vehicles for the airport. A closer examination of the remaining vehicles may show a number of them to be superfluous. In the event of an emergency, the most probable recall site would be the emergency control center at the fourth floor of the main terminal. In this case, employees assigned vehicles would be returning directly to the airport. Although the assigned county vehicles have amber lights, these lights are to highlight the vehicles for anti-collision when on airport property and give someone in a recall no traffic priority. In fact, it would be illegal for them to have the lights on while in motion. Additionally, there is no special equipment that needs to be carried by these individuals. If the vehicles were needed, it would be more practical to have them at the airport available for anyone to use in an emergency.

Airport 24-hour emergency response vehicles also have non-standard markings. The majority of county vehicles have large county seals and one and one half inch lettering "For Official Use Only" approximately centered on the door. The airport vehicles have no county seal and use lettering less than one inch tall placed under the door where it is least visible. This meets the letter of the law regarding vehicle markings, but does not support their use as "emergency" vehicles, which usually require high visibility. We recommend that the county directive should be expanded to include requirements for the county seal to be displayed on all county vehicles and mandate letter size and placement so that all county vehicles can be immediately recognized.



Public Works

The Public Works Department has forty-one vehicles assigned to employees for emergency response of which the overwhelming majority are assigned to senior supervisors and management. To determine the frequency of emergency call outs, we read the call out log maintained by the Metro switchboard, which operates from 6 a.m. until 12 midnight. Although this would not represent all calls, we were told it would capture most of them. We also talked to the fire department and state highway patrol switchboards. We reviewed payroll records for overtime, compensating time, and callbacks recorded as the majority of vehicles are assigned to individuals paid for such time.

Based on our review, it is our opinion the majority of vehicles assigned for emergency response are not needed for that purpose. For example, Community Development has two vehicles assigned for emergency response. Our review showed a total of three calls from the Metro switchboard to Community Development employees in an eight-month period ending April 1999. Similarly, Construction Management has twelve assigned emergency response vehicles. However, the emergency call out list provided to Metro has only four of these people listed as being assigned to emergency response and records from Metro show only six calls to those employees during that same eight-month period. In fact, the only division showing significant call back activity is the Traffic Management Division, but the employees responding to the call backs in the majority of cases reviewed do not have emergency response vehicles. They use their personal vehicles to pick up a county vehicle with the necessary equipment and supplies from the Public Works compound.

Other Departments

Other departments have twenty employees assigned 24-hour emergency response vehicles. Based on our review, nine are justified for emergency purposes, six would probably be approved by reason of variable work sites, while the final five would probably not be approved.

Unmarked Vehicles

NRS 482.368 governs the issuance of license plates and stipulates the required markings on state and local vehicles. It specifically lists the types of uses of vehicles that qualify for unmarked status and provides for other uses "if authorized by the department for purposes of law enforcement or work related thereto or such other purposes as are approved upon proper application and justification." Additionally, Administrative Guideline No. 7 requires that the County Manager approve all unmarked vehicles assigned to individuals. There are 106 unmarked county vehicles of which eight are assigned to individuals on a 24-hour basis.

Inappropriate Assignment of Unmarked Vehicles

The Assessor's office has two unmarked vehicles, Business License has five unmarked vehicles, and the Public Defender has seventeen such vehicles. As investigators for the Assessor's, Business License, and Public Defender's offices are not specifically listed jobs in the statutes which are allowed unmarked vehicles, these vehicles can only be used by the departments after

proper application and justification for an exception to the state. Additionally, the statute requires that applications be made through the chairman of the county commission. No documentation has been maintained by Automotive to show that proper application to the state was made or that the Manager of Automotive has the required authority to request an exception. However, Business License investigators can issue citations for county code enforcement so it appears reasonable that their use of unmarked vehicles would be approved. Similarly, state approval of such vehicles for investigators in the Public Defender's office appears reasonable, as investigators for the District Attorney are a listed use qualifying for unmarked vehicle status. On the other hand, as the Assessor is not involved in law or county code enforcement, assignment of unmarked vehicles to his department does not appear appropriate. The Assessor's unmarked vehicles should be returned to Automotive immediately to obtain county markings and government plates. We recommend the county guidelines on automotive usage be expanded to include what uses other than direct law enforcement are appropriate for county vehicles to obtain unmarked plates and that proper approval from state authorities be obtained for such uses.

Additionally, Family and Youth Services has six unmarked vehicles. These vehicles were originally assigned to probation officers and thus qualified for unmarked plates. However, since their original qualification, five of the vehicles have been reassigned to other uses as department pool vehicles driven totally or frequently by employees other than parole officers. This new usage does not qualify for continued unmarked vehicle status. These vehicles should be returned to Automotive immediately to obtain county markings and government plates. The department has assigned the sixth vehicle to an employee as a 24-hour emergency response vehicle. However, this use was not requested through the Vehicle Review Committee nor approved by the County Manager. The department director has also not reported this personal usage to Automotive as required by the directive for proper income tax reporting purposes, thus understating the employee's taxable income. We recommend the County Manager direct the department to comply with county directives.

Vehicle Purchases

During our review we noted that a significant number of new vehicles purchased by the County, for both emergency response and normal use, seem to be the more expensive models of sports utility vehicles such as the Ford Expedition, Chevy Tahoe, and upgraded extended cab versions of heavy duty pickup trucks. A Chevy Tahoe or Ford Expedition costs approximately \$32,000. A cheaper utility vehicle, which should be adequate, goes for approximately \$25,000 while a half-ton pickup is less than \$20,000. These higher priced vehicles result in significant additional costs to the County. We recommend the County institute standard vehicle requirements and mandate their use by all departments.

Internal Control

We noted significant weaknesses in internal control, mainly through lack of adherence to policies established under the administrative guidelines and lack of retention of records. In fact, discussions with five directors and assistant directors over the course of the audit on emergency automobile and other county vehicle use demonstrated that they were unfamiliar with established vehicle practices. All department directors and assistant directors should be reminded of the



provisions of the administrative directives. Additionally, we noted the following warranted further attention.

Adoption of Automobile Policies

NRS 244.296 states that the Board of County Commissioners "...shall establish guidelines for the use of automobiles." Issuance of Administrative Guideline No. 7 does not comply with the NRS. For proper compliance, the Board should issue the guidelines on county vehicle use in the same manner they have issued policies on the merit personnel system. This should be done as soon as possible and include all points recommended to be in the Administrative Guideline.

Lack of County Manager Approval

Only one of eight unmarked vehicles assigned to individuals on a 24-hour basis could be documented as being requested through the Vehicle Review Committee and one as being approved by the County Manager. No vehicles could be documented with both required approvals. We recommend proper documentation on all vehicle assignments be kept by the Automotive division. To bring records current we recommend the County Manager require all personnel assigned unmarked vehicles on a 24-hour basis to reapply to the Vehicle Review Committee prior to his review.

Income Tax Reporting

All personal use of automobiles is reportable to the IRS as a taxable benefit. The County is following a simplified tax-reporting rule that allows personal commuting use to be reported as \$1.50 for each way traveled. However this rule can only be used if personal use, except for commuting, is prohibited and the personal commuting is done for bona fide business reasons other than providing an employee benefit. In addition, the rule cannot be used for "control" employees who are defined to include all elected officials. The County has used this commuting rule for four "control" employees, which violates tax regulations. The Comptroller should notify the affected individuals that the County will be changing the way their vehicle benefits are calculated.

Additionally, the directive requires all elected officials and department heads to certify the personal use of county vehicles quarterly to Automotive. This is supposed to include occasional use also and is reportable for tax purposes for everyone in the vehicle, not just the driver. This is not being done as Automotive has only been sending forms to departments they know have 24-hour vehicles; and a department representative, not the department head, are returning these forms. Due to the sensitivity of employee use of county vehicles, we recommend that the quarterly report be sent to all county departments for return and that elected officials and department heads, not their designees, be required to sign the forms.

Overnight Parking of County Vehicles

During our audit, we became aware that many employees and managers are under the mistaken impression that as long as they park on county or other state and local property they are not

commuting. Under IRS regulations, vehicles must be kept on county business premises to avoid being considered commuting. Additionally, the practice appears to circumvent county vehicle policy, exposing the vehicle to potentially unsecured areas overnight. For example, we noted one employee, who does not have an assigned vehicle and has not requested a 24-hour vehicle, daily, uses a department pool vehicle to drive to a County location near his home where the vehicle is left. There appears to be no valid business reasons for this and results in unnecessary costs to the County. It is recommended that the County Manager establish a parking policy for overnight storage of county vehicles. This should require that the vehicle be parked at the assigned department's primary business location. It could also designate several secure areas around the County for alternate parking. Prior to the adoption of a formal policy, the County Manager should advise all departments that parking overnight in an area not their principal business location is prohibited.

Periodic Review of 24-Hour Vehicle Status

When a person with a 24-hour vehicle retires or otherwise leaves a position open, departments have been routinely giving the 24-hour vehicle to the replacement. It is not clear whether this is allowed or not under the policy. Additionally, there is no periodic review of people with 24-hour status. Thus, some people who were approved in the 1990 review have never been rechecked to see if they still comply. Also, some requests are being made directly to the County Manager. This is not appropriate as it weakens the effectiveness of the Vehicle Review Committee and violates the IRS regulations for the commuting method of tax reporting, which the County is following, because it doesn't document the business purpose of the personal commuting use. The policy should be revised to include a periodic review and clarify whether use is assigned a position or an individual. Additionally, all requests should be required to be first submitted to the Vehicle Review Committee.

Vehicle Transfers and Vehicle Markings

Vehicles with 24-hour emergency vehicle markings are being transferred to other uses without removing the markings. We recommend Automotive examine all vehicles being serviced and arrange to remove inappropriate markings of such vehicles.

Assigned Parking

During the course of our audit, we noted that a significant number of vehicles assigned as 24-hour emergency response vehicles routinely park in employee assigned parking. We recommend that responsible parties be reminded of parking regulations and that Security enforce compliance.

Law Enforcement Zone for Arson Investigators

Certain arson investigators are assigned unmarked vehicles. NRS 289.250 appears to require that arson investigators be designated as police officers pursuant to NRS 244.2961. This would require a special enforcement district be established by county code similar to that done to establish the park police. This has not been done. We suggest the Fire Department obtain an opinion from the District Attorney as to whether this is, in fact, required.

APPENDIX

MEMORANDUM

Office of the County Manager

DALE W. ASKEW
County Manager

TO: JEREMIAH CARROLL, DIRECTOR, INTERNAL AUDIT

FROM: MICHAEL R. ALASTUEY, ASSISTANT COUNTY MANAGER
RICHARD B. HOLMES, ASSISTANT COUNTY MANAGER

SUBJECT: VEHICLE AUDIT

DATE: OCTOBER 22, 1999

Thank you for the audit of the twenty-four hour emergency vehicle usage. Due to the numerous Countywide issues mentioned in the report, the underlying premise indicates a need to address a twenty-four hour vehicle usage via a comprehensive vehicle use policy. Accordingly, Administrative Services has been asked to rewrite the current County vehicle usage policy to include addressing the findings in the report. When complete, the policy will be submitted to the Board of County Commissioners for their approval.

Additionally, General Services has been directed to formally request from the appropriate state agency an exemption for all unmarked exceptions, and to review automobile purchasing guidelines and markings of County vehicles.

Finally, certain individual vehicle usage has been curtailed or the appropriate department personnel have been notified that the vehicle usage will be reviewed by the Vehicle Review Committee. Other issues mentioned in the report with regard to IRS reporting and assigned parking are being resolved. Once the policy has been issued, the Vehicle Review Committee should review all existing twenty-four hour vehicle use within 3 to 6 months of issuance of the policy.

MRA/RBH:dj