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Fleet Audit – 2014

Background

County Roles and Responsibilities

As stated in 55 ILCS 5/3-1005, duties of the county auditor include an audit of the inventory of all real and personal property owned by the county under the control and management of the various officers and departments of the county. This audit pertains specifically to vehicles owned by Kane County (the County).

The Finance Department is responsible for maintaining the County's fixed asset list. On an annual basis, at the close of the fiscal year, the Finance Department solicits from all offices and departments, a list of assets acquired at a cost of \$10,000 or more, and a list retired during the fiscal year just ended. In accordance with financial policy, no asset will be considered fixed unless its value or component value exceeds \$10,000. Finance staff enters the cost and descriptive information supplied, and selects the appropriate depreciation schedule.

The Human Resources Management (HRM) Department is responsible for the insurance of county vehicles. This includes maintaining the list of insured vehicles and supplying a current year fleet insurance card for placement in each vehicle. Each department is responsible for informing HRM of a vehicle purchase or disposal. When informed, HRM supplies a fleet insurance card for placement in the vehicle. In addition, on an annual basis, HRM solicits a current vehicle list from each office and department. HRM compares this to their existing list to assure that they have correct and current information. The County has commercial fleet insurance which covers all vehicles in our fleet even if a particular vehicle hasn't yet been added to the list.

The County Clerk maintains a list of County vehicles including registration and title documentation from the Secretary of State of Illinois in accordance with County Code, Chapter 2, Article III, Division 1, 2-80.

County Data

For FY 2013, the fixed asset listing has a total of 280 vehicles, broken down by department as follows:

Animal Control	4	Environmental Mgmt	2
Building Mgmt	9	Health	5
Circuit Clerk	1	IT	4
Coroner	7	Sheriff	118
County Clerk	2	State's Attorney	9
Court Services	14	Transportation	90
Development	7	Veteran's Commission	2
Emergency Mgmt	6		

Scope and Testing

1. Obtain FY 2013 vehicle listing from the Finance Department. Obtain listing of insured vehicles from Human Resources Management (HRM). Obtain listing from County Clerk's Office for registered vehicles. Cross match all listings.
2. Perform physical inspection of 100% of fleet assets. Note VIN, license plate and insurance card.
3. Obtain chip key listing by department from the Sheriff's Fleet Manager. Chip keys are used to access fuel at the Fabyan location. Employees insert chip key and enter mileage information when receiving fuel. Departments outside of the Sheriff's Office are billed quarterly for fuel usage. The rate is discounted versus external gas stations. Verify chip keys assigned to each department.

Findings and Recommendations

- On the vehicle listing from Finance, several data input discrepancies were noted (e.g., one digit off on VIN, missing license plate info, etc.). These changes have been provided to Finance in order to update the vehicle listing.
- Also noted in the vehicle listing that body and equipment packages weren't always connected with the base piece of equipment. For example, extra equipment installed by the manufacturer to turn a truck into a snow plow wasn't included as one line item, but rather two. In some instances, an "A" was placed after the license plate number to indicate that particular line was the extra equipment

associated with the license plate number. An “A” was added next to all equipment packages where not already present. These updates have been provided to Finance in order to update the vehicle listing.

- Vehicle listings were received from Transportation and the Sheriff’s Office. A few VIN and license plate number discrepancies were noted. These updates have been provided to the proper department for updating of their internal schedules. The departmental internal schedules are more complete asset listings as they may include donated assets or assets under the County’s \$10,000 capitalizable limit. The departments recognize that these assets still need to be tracked and accounted for.
- As noted above in Roles and Responsibilities, fixed assets are updated annually. Eight retroactive additions to the Sheriff’s fleet were noted for a gross asset value of \$187k. These additions will be provided to the Finance department as part of the annual updates.
- For the Transportation department, it was noted that license plates had been removed from a disposed vehicle and placed upon a new vehicle, but the Finance vehicle listing still had the disposed vehicle’s information. When the vehicle listing is updated, net asset value will increase by \$8,558 and \$4,608 for fiscal years 2013 and 2014, respectively.
- The HRM vehicle listing is updated annually. The HRM listing is intended to provide the insurance company with the size and value of our fleet, not to be a 100% accurate listing as the list is constantly in flux with additions and deletions. Changes were noted between the HRM vehicle listing and the finance listing and have been provided to HRM. The net impact was an addition of six vehicles, some 2014 additions and some prior years additions. Estimated net asset increase is approximately \$100k.
- The vehicle listing with the County Clerk’s office excludes Sheriff, Transportation and State’s Attorney. Minor variances were noted in comparing the County Clerk’s listing with the finance listing, and these differences have been reconciled with the County Clerk’s office.
- Insurance cards were located in mostly all vehicles. Where insurance cards were missing, the departments were notified, and insurance cards were obtained.

Gas Chip Keys

The listing of chip keys was obtained from the Sheriff’s Fleet Manager. The final listing of 190 chip keys was confirmed with each department. Twenty-eight chip keys were deactivated. The Fleet Manager confirmed that the deactivated keys had no recent activity.

The following represents the number of chip keys by department:

Animal Control	3	(a)	Environmental Mgmt	2	
Building Mgmt	10	(b)	Health	6	(d)
Circuit Clerk	1		IT	4	
Coroner	6	(c)	Sheriff	118	
County Clerk	2		State's Attorney	10	(e)
Court Services	14		Transportation	-	(f)
Development	7		Veteran's Commission	1	(g)
Emergency Mgmt	6				

The number of chip keys has been reconciled to the number of vehicles by department. Differences, with no exceptions, are due to the following:

- (a) One vehicle is not in use and will be disposed. This vehicle does not have a chip key.
- (b) Represents all vehicles plus a gas can.
- (c) Coroner currently has eight vehicles, including one FY 2014 addition. However, one vehicle will be going to auction and another is on loan from the Sheriff's Office. These two do not have chip keys.
- (d) Health department currently has 6 vehicles; however, one is less than \$10k and not included on the Finance listing of fixed assets.
- (e) State's Attorney currently has 10 vehicles; however, one is less than \$10k and not included on the Finance listing of fixed assets.
- (f) Transportation does not use the gas pumps located at the Fabyan Parkway facility.
- (g) Veteran's Commission only has one vehicle in use at any point in time. The older vehicle was transferred to Lee Ogle Transportation System (LOTS) per direction of Illinois Department of Transportation (veteran fleet administrator).

The Auditor's Office would like to express our thanks for the support of the Finance Department, HRM and County Clerk's Office. We would also like to express our gratitude to all departments and personnel for presenting their vehicles and insurance cards.



Terry Hunt – Kane County Auditor



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