



Maricopa County

Internal Audit Department

301 West Jefferson St
Suite 660
Phoenix, AZ 85003-2148
Phone: 602-506-1585
Fax: 602-506-8957
www.maricopa.gov

To: Joseph Arpaio, Maricopa County Sheriff

From: Ross Tate, County Auditor *RT*

Subject: Vehicle Usage Review (Addendum to 2010 Countywide Audit)

Date: December 7, 2011

We recently completed a review of the Maricopa County Sheriff's Office's (MCSO) vehicle usage. This review focused on MCSO's compliance with vehicle-related policies and was originally scheduled as part of the Countywide Vehicle Usage Audit from fiscal year (FY) 2010. In that countywide audit, we reviewed driver accountability and fleet management. This review completes that work. In addition to Internal Audit's review, MCSO and County management are conducting a vehicle utilization review within MCSO.

Summary of Results

The County and MCSO have policies guiding employee use of vehicles for County business. MCSO needs to strengthen adherence to certain provisions in these policies. MCSO does not require employees to provide proof of insurance prior to driving private vehicles on County business, and some employees have been reimbursed for mileage without a current County Vehicle Use Permit. In addition, MCSO is not documenting justification for County vehicles taken home overnight. The requirements in these policies help protect the County and ensure vehicles are used in a safe and cost effective manner. MCSO should comply with County and MCSO vehicle usage policies.

Scope and Methodology

The purpose of this review was to determine if MCSO complies with vehicle policies relating to County Vehicle Use Permits (Blue Cards), insurance, and take-home vehicles. To achieve our objective, we interviewed MCSO and Risk Management staff, and reviewed documentation related to:

- Blue Cards
- Authorization for employees to use their private vehicles
- Proof of insurance
- Applications for Overnight Vehicle Use Permits
- Take-home vehicle justification

Vehicle Insurance

The County has several policies governing the use of vehicles on County business. MCSO has its own vehicle policy, which closely aligns with County policies. These policies are designed to ensure vehicles are used in a safe and cost effective manner, thus protecting MCSO and the County.

County Policy A2325, *Personal Vehicle Loss/Damage Reimbursement*, requires that employees driving on County business obtain a County Vehicle Use Permit (Blue Card). Obtaining a Blue Card is part of the County's loss prevention system. The Blue Card application authorizes Risk Management to run a semi-annual Motor Vehicle Record check on employees. This check verifies that employees have valid driver licenses, current insurance, and have not had any traffic violations in the last six months. In the event of a claim, this process illustrates the County's due diligence in ensuring drivers are authorized.

In addition to the Blue Card, County Policy A2202, *Private Vehicle Insurance Requirements*, requires employees using their private vehicles to submit a *Request for Authorization to Use Private Automobile for County Business* form. On this form, the employee agrees to "furnish and maintain proof of insurance." Departments are responsible for enforcing this requirement and maintaining documentation.

MCSO Policy GE-4, *Use, Assignment, and Operation of Vehicle*, requires that employees driving a County vehicle obtain a Blue Card. Employees using a private vehicle for MCSO-related work are required to submit a written memorandum through their chain of command for authorization. Employees are also required to furnish and maintain proof of insurance.

Condition

To determine if employees were authorized to use their private vehicle for County business and were properly insured, we requested Blue Cards, *Request for Authorization to Use Private Automobile for County Business* forms, MCSO authorization memos, and proof of insurance documentation for 43 employees who received mileage reimbursements in FY 2011.

MCSO was unable to provide the forms, proof of insurance documentation, or written authorization memos for any of the 43 employees. MCSO management stated that they do not require the form, proof of insurance, or the authorization memos noted in MCSO policy. In addition, we found that 15 of the 43 employees (35%) lacked valid Blue Cards, as illustrated on the following page.

Blue Card status of the 43 MCSO employees tested	Number of employees
Current Card	28
Expired Card	3
No Card	12
Total	43

Effect

The County could be at risk if agencies do not enforce compliance with established policies and procedures for loss prevention. If an employee does not have a valid Blue Card, Risk Management is not authorized to conduct the semi-annual Motor Vehicle Record check, and the County would not be alerted if a driver had a poor driving record, or no longer had a valid license or insurance. In addition, the County will not pay for damages for an employee's vehicle if the employee did not have a valid Blue Card.

Cause

MCSO is not adhering to County or MCSO internal policies that require employees to have valid Blue Cards or to provide proof of insurance prior to using private vehicles for County business because it already requires employees to follow state laws and MCSO's Code of Conduct.

Recommendation

MCSO should comply with MCSO and County Policy by requiring employees to (1) complete the *Request for Authorization to Use Private Automobile for County Business* form, (2) provide proof of insurance, and (3) have a current Vehicle Use Permit (Blue Card) when driving on County business.

Take Home Vehicles

County Policy A2310, *Overnight Use of County Vehicles*, requires that employees who take County vehicles home overnight have an Overnight Vehicle Use Permit (Overnight Permit) issued by Risk Management. The Board of Supervisors approves the Overnight Permits annually. Applications for permits include written justification clearly demonstrating that providing a take-home vehicle results in a lower total cost to the County than reimbursing mileage. The criterion for cost savings must be met to qualify for a take-home vehicle.

MCSO's Policy GE-4, *Use, Assignment, and Operation of Vehicle*, also addresses the use of take home vehicles. It states that all division commanders will be assigned a vehicle, whether it is approved as a take-home vehicle will be at the discretion of the bureau commander, with final approval by the Sheriff. The policy further states that the assignment of take-home vehicles will not be applied on a convenience basis, but will be restricted to individuals having a reasonable expectation of being called out during their normal, off-duty hours. The request is to be submitted through the chain of command.

Condition

County policy requires that employees annually submit an application and written justification of cost savings in order to be approved for an Overnight Permit. We selected 77 of 387 MCSO employees with continuous Overnight Permits and attempted to review the applications and justification. We found that MCSO did not have the required documentation. MCSO management stated that take-home vehicles are assigned based on position requirements; applications and justifications are not used.

Effect

Without complete applications and accompanying justification documents, neither MCSO nor the County can ensure taking home vehicles is the most cost effective use of resources when compared to the cost of mileage reimbursement.

Cause

Application and justification documents were not completed because MCSO is not providing Risk Management with the required documentation for Overnight Permits. In addition, Risk Management issued Overnight Permits to MCSO without the required documentation.

Recommendations

MCSO should ensure that all Overnight Vehicle Use Permits are renewed annually with a new application and written justification.

Risk Management should ensure that all Overnight Vehicle Use Permits issued are a result of a complete application, including the appropriate justification documents.

Auditing Standards

We conducted this performance audit in accordance with generally accepted government auditing standards. These standards require the following:

- An independent audit staff and audit organization
- An objective audit staff performing the work
- A competent staff, current with continuing education requirements
- A system of quality control procedures
- Sufficient and appropriate evidence based on audit objectives

We appreciate the excellent cooperation by MCSO management and staff. If you have any questions, please contact Eve Murillo, Deputy County Auditor, at 506-7245, or me at 506-1585.

C: Board of Supervisors

Jerry Sheridan, Chief Deputy, Sheriff's Office

Scott Freeman, Chief of Business Operations

David Smith, County Manager

Sandi Wilson, Deputy County Manager

Rocky Armfield, Risk Management Director

AUDIT RESPONSE
MCSO - Vehicle Usage Carryover
November 07, 2011

Issue #1:

To determine if employees were authorized to use their private vehicle for County business and were properly insured, we requested Blue Cards, Use of Private Automobile for County Business forms, MCSO authorization memos, and proof of insurance documentation for 43 employees who received mileage reimbursements in FY 2011. MCSO was unable to provide the forms, proof of insurance documentation, or written authorization memos for any of the 43 employees. In addition, we found that 15 of the 43 employees (35%) lacked valid Blue Cards.

Recommendation: MCSO should comply with MCSO and County Policy by requiring employees to (1) complete the Request for Authorization to Use Private Automobile for County Business form, (2) provide proof of insurance, and (3) have a current Vehicle Use Permit (Blue Card) when driving on County business.

Response: MCSO will implement this recommendation immediately. An Office wide directive has been sent requiring compliance.

Target Completion Date: 11/07/11

Benefits/Costs: Improved accountability.

Issue #2:

County policy requires that employees annually submit an application and written justification of cost savings in order to be approved for an Overnight Permit. We selected 77 of 387 MCSO employees with continuous Overnight Permits and attempted to review the applications and justification. We found that MCSO did not have the required documentation.


Recommendation: MCSO should ensure that all Overnight Vehicle Use Permits are renewed annually with a new application and written justification.

Response: Do not concur: MCSO has a strict policy regarding overnight use of County Vehicles (See MCSO Policy GE-4 attached) MCSO is committed to enforcing that policy and to regularly reviewing the status of staff with assigned vehicles. While we understand the request for individual request forms and understand its application in other departments, they are not 24 hour a day law enforcement departments. It is simply a poor use of manpower to require Detectives, SWAT Team members, Lake Patrol, and K-9 staff to justify the obvious need to respond immediately and equipped for duty on an annual basis.

Target Completion Date: 11/07/11

Benefits/Costs: \$0.0

Approved By:



Chief of Business Operations

11-9-11
Date



Chief Deputy

11/9/11
Date

**AUDIT RESPONSE
RISK MANAGEMENT DEPARTMENT
NOVEMBER 23, 2011**

Issue:

County policy requires that employees annually submit an application and written justification of cost savings in order to be approved for an Overnight Permit. We selected 77 of 387 MCSO employees with continuous Overnight Permits and attempted to review the applications and justification. We found that Risk Management issued Overnight Permits without the required documentation from MCSO.

Recommendation: Risk Management should ensure that all Overnight Vehicle Use Permits issued are a result of a complete application, including the appropriate justification documents.

Response: Concur—in process. The policy, as it is currently written, requires that each permit application include a justification. This is to be completed annually. The policy is currently being re-written to include numerous changes, including streamlining the justification process, that will require approval of a position class, not an individual.

Target Completion Date: 06/30/12

Benefits/Costs: Increased accountability of over overnight vehicle usage.

Approved By:



Department Head

11/23/11
Date



Deputy County Manager

11-28-11
Date



County Manager

11/29/11
Date