

Office of Legislative
Auditor General

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July 7, 2015

FINAL REPORT TRANSMITTAL LETTER

Honorable Wayne County Commissioners:

Enclosed is our final copy of the Corrective Action Plan (CAP) and Auditor General's Assessment for the Wayne County Sheriff, Examination of Vehicle Repair Order Billings Report. The report is dated June 12, 2015, DAP No. 2015-57-005. The report was accepted by the Audit Committee on June 24, 2015, and formally received by the Wayne County Commission on July 1, 2015.

If you have any questions, concerns, or desire to discuss the report in greater detail, we would be happy to do so at your convenience. The report is intended for your information and should not be used for any other purpose. Copies of all Office of Legislative Auditor General's final reports can be found on our website at: <http://www.waynecounty.com/commission/743.htm>

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REPORT DISTRIBUTION

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Wayne County Executive



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June 12, 2015

DAP No. 2015-57-005

Honorable Raymond E. Basham, Chairman
Audit Committee
Wayne County Commission
County of Wayne, Michigan
500 Griswold Ave., Suite 766
Detroit, MI 48226

Subject: Corrective Action Plan, including the Auditor General's Assessment, dated February 16, 2015 for the Wayne County Office of the Sheriff, Examination of Vehicle Repair Order Billings, Attestation Report.

Dear Chair Basham:

In accordance with Generally Accepted Government Auditing Standards (GAGAS) issued by the Comptroller General of the United States as it relates to a performance audit engagement, the Office of Legislative Auditor General (OAG) requested the Wayne County Sheriff's Office to submit a Corrective Action Plan (CAP) for recommendations identified in the Attestation Examination engagement dated December 2, 2014.

Sheriff officials provided the CAP as requested. Attached is a Summary and Assessment of the CAP prepared by the OAG with nine (9) recommendations. The summary schedule includes: the recommendations; management's comments on the findings and recommendations; management's action taken or planned; whether management has or intends to implement the recommendations; responsible person(s)/area; implementation or targeted implementation date; and, the Auditor General's assessment.

Our assessment of the nine (9) recommendations found that management has taken sufficient action to address four (4) recommendations identified in the report; four (4) are considered in-process; and, one (1) is considered partially implemented.



Honorable Raymond Basham

DAP No. 2015-57-005

June 12, 2015

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Respectfully submitted,

A handwritten signature in cursive script that reads "Marcella Cora". The signature is written in dark ink and is positioned above the printed name and title.

Marcella Cora, CPA, CIA, CICA, CGMA
Auditor General

Attachment

Examination of Vehicle Repair Order Billings
Wayne County Sheriff's Office
Attestation Report

Summary and Assessment of
CORRECTIVE ACTION PLAN

Auditor General's Recommendation	Management's Comments on Findings and Recommendations	Management's Action Taken or Planned	Management has or Intends to Implement the Recommendation Yes/No	Responsible Person(s)/ Area	Implementation or Targeted Implementation Date	Auditor General's Assessment
14-01 We recommend the WCSO establish a policy and procedure that ensures the procurement of goods, preventative maintenance, or repair work on vehicles is obtained through a competitive procurement process.	Agree	WCSO has established over 150 P.O.s for non-fuel purchases. It also costs well over \$200.00 extra per P.O. because of the man power involved in processing the P.O. It also is not fair to the vendors who give the free estimates and do not receive the work; also you do not always get an exact assessment of the problem with free quotes. If the WCSO was to discontinue the use of the cards for repairs, WCSO would not be able to get the inmates to court rendering a contempt charge on all parties. If the Commission passes an Ordinance that prohibits the use of fuel credit cards for emergency repairs it would cripple the operation and potentially cause a contempt of court action against all parties.	Yes	Material Management Police Property	Partially Implemented	Sheriff's Office officials provided the OAG a set of policies and procedures which outlines steps for the procurement of repair work on sheriff vehicles. However, the policies and procedures don't specify preventive and routine maintenance is procured through a competitive process. All work is currently performed at one BP station. The policies do specify that repairs not deemed urgent will require two quotes. If the planned action is implemented as described, the action appears to sufficiently address the recommendation. A follow-up review may be necessary in the near future to verify that the described action has occurred.
In addition, the Wayne County Commission should amend the Vehicle Use Ordinance to prohibit the use of fuel credit cards for the purchase of non-fuel goods and	Agree	The Commission is in the process of finalizing a proposed Credit Card Policy that will address the permitted and prohibited uses of credit cards for fuel and other purposes. Note that this policy is a separate document from the Vehicle Use Ordinance.	Yes	Commission	In-Process	We spoke with Commission Counsel who indicated that the drafting of an amended Vehicle Ordinance was currently in process. When this is completed the OAG will review the ordinance to determine the restrictions on the use of fuel credit cards for the purchase of non-fuel goods and

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						services. If the planned action is implemented as described, the action appears to sufficiently address the recommendation. A follow-up review may be necessary in the near future to verify that the described action has occurred.
14-02 The Wayne County Vehicle Use Ordinance should be amended to require WCSO and others to maintain accurate and complete vehicle maintenance records for each vehicle and ensure they are reviewed monthly for compliance.	Agree	The Commission is in the process of finalizing proposed amendments to the Vehicle Use Ordinance that will address vehicle maintenance records.	Yes	Commission	In-Process	We discussed the finalization of the amendments to the Vehicle Use Ordinance with Commission Counsel who indicated that the amended ordinance is still being reviewed by the CEO. Based on our discussion the amended ordinance will address maintaining accurate and complete vehicle records. If the planned action is implemented as described, the action appears to sufficiently address the recommendation. A follow-up review may be necessary in the near future to verify that the described action has occurred.
14-03 We recommend that WCSO establish a preventive	Agree	WCSO has established a preventive maintenance schedule for oil change, tire rotation, engine fluid and tire	Yes	Material Management	Implemented	WCSO management provided the OAG with a copy of their vehicle maintenance service procedures

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maintenance schedule for each type of vehicle and each type of maintenance service and ensure that maintenance is performed in accordance with those schedules.		replacement. WCSCO follows the recommended manufacturer guidelines for extreme use vehicles (i.e. Taxis, Police, and Transport). WCSCO also works hand in hand with BP to make sure no unnecessary repairs are done.		Police Property		schedule which includes required intervals for all preventive maintenance for vehicles in service. The policy specifically requires the service station to notify the WCSCO if there is a request for an oil change under 3,000 miles. Based on a limited review of the action taken, management appears to have taken sufficient action to address the recommendation.
14-04 We recommend the WCSCO designate an individual whose responsibilities include: • Maintaining accurate and complete vehicle maintenance logs. • Approval of all work orders for repairs prior to the beginning of the work.	Agree	WCSCO agree that funding should be allocated to support Fleet Manager. However, because that has not been established, the WCSCO has designated appropriate staff for this. All divisional command has been notified to track all vehicle maintenance on their vehicles. All persons assigned a vehicle must track their maintenance. A spreadsheet was emailed to all. All repairs on the gas card are approved by 2 WCSCO staff. The BP will not make repairs on a vehicle without their authorization. If they do, they will not be paid.	Yes	Material Management Police Property Divisional Command Take Home Vehicle Assignment	In-Process	We discussed this issue with Sheriff officials and they indicated that an independent contract for a designated fleet manager has been created and is making its way to the commission for approval. Currently, all Sheriff personnel are still responsible for keeping track of the maintenance on their vehicle assigned. A sample copy of the spreadsheet outlining the tracking of maintenance was provided to the OAG. If the planned action is implemented as described, the action appears to sufficiently address the recommendation. A follow-up review may be necessary in the near future to

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14-05	We recommend the WSCO individual responsible for fleet operations determine the items that are used within the fleet operations and consider: - Determining what items are purchased by central maintenance and possibly ordering them from the county. - Purchasing the items in bulk and having them in stock so they are available when needed.	WCSO has looked at the fleet and due to the diverse years and manufacturers the only common items that can be ordered in bulk are Oil and Washer Fluid. WCSO has a 55 gallon drum of Oil and Washer Fluid for use by all vehicles. This will eliminate those charges off the gas card. The County should see a significant savings from the WCSO ordering items in bulk. Ordering these items from the Central Maintenance Yard (CMY) is not an option because they have a 10% chargeback making this more costly.	Yes	Material Management Police Property		verify that the described action has occurred. We discussed with Sheriff officials and they indicated that oil and windshield washer fluid are now purchased in 55 – gallon drums that are stored at three different locations around the county. We reviewed a communication that was sent to all sheriff staff indicating that oil and wiper fluid be refilled at one of the designated locations or it will require reimbursement to the county. We confirmed that an inquiry was also made by sheriff officials to DPS officials regarding cost of performing service to the Sheriff vehicles. It was concluded that the cost for service by DPS at the CMY would be too costly and not beneficial. Therefore cost prohibitive. Based on a limited review of the action taken, management appears to have taken sufficient action to address the recommendation.

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14-06 We recommend the Sheriff's Office consider: Procuring services directly from a vendor rather than subletting the work.	Agree	WCSO does not sublet work.	Yes	Material Management Police Property	Implemented	The OAG discussed this issue with Sheriff officials who confirmed that going forward the WCSO would not sublet any work and any work performed under warranty would require prior approval. Based on a limited review of the action taken, management appears to have taken sufficient action to address the recommendation.
14-07 We recommend the WCSO maintain a complete and comprehensive vehicle inventory. In those instances where vehicles are used for undercover operations and are not listed on a vehicle inventory, prior to approving the repair services, verify that the vehicle is indeed a county vehicle. Also, ensure that all undercover vehicles are covered by the county's insurance carrier.	Agree	WCSO has implemented the recommendation.	Yes	Police Property Narcotics Staff	In-Process	Sheriff officials provided the OAG with a vehicle inventory list. In addition, a list was provided identifying all vehicles used for undercover operations including those previously identified that are no longer in the WCSO inventory and the date of the vehicle's disposition. Based on our review of the information provided, there appeared to be instances of inaccurate information related to the disposition of vehicles on the listing. In one instance, a vehicle was listed as auctioned in March 2012 but subsequently the OAG learned the <i>correct auction date</i> should have been November 2013. According to Sheriff officials the error was a result of transcribing the Vehicle Identification Number.

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						It is imperative in the future that accurate inventory listings are maintained for all vehicles including acquisition and disposal of vehicles. This listing should be used when approving repairs on undercover vehicles. We also confirmed with M&B officials that all Sheriff vehicles, including undercover operations, are covered under the county's insurance carrier. If the planned action is implemented as described, the action appears to sufficiently address the recommendation. A follow-up review may be necessary in the near future to verify that the described action has occurred.
14-08 We recommend the WCSO work with the County Executive's Office and Wayne County Commission to assess the Sheriff Vehicle inventory and explore	Agree	FY15 WCSO submitted a 5 year capital needs plan which included the replacement of the entire fleet over the 5 year period. CEO & Commission needs to identify the funds to complete the purchase needs for FY15.	Yes	WCSO Administration Management & Budget CEO	Implemented	Sheriff's officials provided the OAG with a copy of a five year Capital Needs Plan that was submitted during the FY 2015 budget. This plan included a request to replace 73 vehicles for Sheriff units. However, officials also indicated that funds were not

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opportunities to replace those vehicles whose mileage is in excess of the 80,000 miles as stated in the County Vehicle Use Ordinance.				Commission		appropriated due to deficit reduction. Based on a limited review of the action taken, management appears to have taken sufficient action to address the recommendation.