



Internal Audit Department

O R A N G E C O U N T Y

AUDIT HIGHLIGHT

APRIL 12, 2011

INTERNAL CONTROL AUDIT:
 OC PUBLIC WORKS
 COUNTYWIDE FLEET MANAGEMENT
 Audit No. 1028

WHY IS THIS AUDIT IMPORTANT?

Board Resolution No. 89-1302, and subsequent revisions to the resolution, designated the Director of OC Public Works (OCPW) responsibility for administering and enforcing County vehicle assignments and related functions, including the enforcement of existing rules and regulations. OCPW/OC Fleet Services performs fleet management services for County agencies and departments and maintains fleet inventory records. During our audit, OC Fleet Services' **fleet inventory consisted of 2,477 vehicles assigned to County agencies/departments, 42 pool vehicles available to County employees, and 390 equipment/component assets** such as lawn mowers, trailers, generators and other items associated with fleet vehicles. During FY 2009-10, OC Fleet Services' **operating income totaled approximately \$20 million** from interdepartmental billings for services provided for County fleet.

WHAT THE AUDITORS FOUND?**Successes**

We found OC Fleet Services provides agencies/departments assistance with the acquisition, replacement, retirement and surplus of County fleet, and maintains County fleet inventory records. However, Countywide policies and procedures were not established to clearly define the responsibilities for the administration and enforcement of policies related to County vehicles by OC Public Works and user agencies/department since the adoption of Resolution No. 89-1302. OC Fleet Services' oversight role of County fleet is limited to OC Public Works, and does not include countywide monitoring of vehicle use and enforcement of vehicle rules and regulations.

Audit Findings and Control Recommendations

There is an absence of clearly defined delegation of responsibility and oversight roles between OC Public Works and the user agencies/departments. Policies and procedures on the management of vehicle use and monitoring compliance with vehicle rules and regulations need to be established and communicated. We identified **three (3) Significant Findings** and **four (4) Control Findings** to review existing fleet management policy and to establish additional policy, procedures and controls to improve oversight of countywide fleet management services.