

## STAFF REPORT

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**Date:** March 13, 2024

**To:** Mayor and City Council

**Thru:** Doug Thornley, City Manager

**Subject:** Staff Report (For Possible Action): Presentation, discussion, and possible action regarding the 24-01 Take-Home Vehicles Audit Report.

**From:** Emily Kidd, Internal Auditor

**Department:** City Manager's Office – Internal Audit

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### **Summary:**

Purpose of Audit – To determine if the administration of the take-home vehicles program is operating consistently, efficiently, equitably, and in accordance with documented policies, procedures, and laws. We also evaluated the risk of fraud, waste, and abuse relative to the audit objectives. This audit identified eight unique findings; a finding is noted when Audit identifies an area of noncompliance with documented policies or best practices. Simply put, findings identify areas of risk.

### **Alignment with Strategic Plan:**

Fiscal Sustainability

### **Previous Council Action:**

There is no recent Council action relevant to this item.

### **Background:**

The audit is to provide an independent, objective analysis of the take-home vehicles process and determine if procedures are reasonable and in compliance with established policies and best practices. To achieve these objectives, Audit interviewed applicable City employees, reviewed departmental policies and procedures, and evaluated current procedures against best business practices.

The Financial Advisory Board (FAB) functions as the City's Audit Committee to provide expertise and a review of audit reports. The Board was provided the 24-01 Take-Home Vehicles Audit report for their February 8, 2024, meeting for discussion, review, and approval.

**Discussion:**

Audit Findings –

1. Lack of Documented Policies and Procedures
2. Fleet Management Review and Approval
3. Attestation Forms
4. Business Purpose for Take-Home Vehicles
5. Unnecessary Fuel Costs
6. City Carries Risk Unnecessarily
7. Use of Telematics
8. Reno Police Department (RPD) Policies and Procedures

External Reporting on RPD Take-Home Vehicles

Center for Public Safety Management, LLC (CPSM) Report, January 2022 –

9. CPSM Finding #88 – “The department should consider putting a mileage restriction of 25 miles from the city limits for take-home vehicles”
10. CPSM Finding #130 – “RPD should assess if a mileage restriction should be implemented for unit take-home vehicles”

The audit procedures included reasonable care and professional skepticism required by industry standards. The resultative findings are based on the sufficient, reasonable, and appropriate evidence obtained during fieldwork.

Management responses from the City Manager’s Office and RPD are included in the audit report as an appendix. These responses adequately address the findings within the report.

**Financial Implications:**

There are minimal financial implications associated with this item.

**Legal Implications:**

Legal review completed for compliance with City procedures and Nevada law.

**Recommendation:**

Staff recommends Council approve the report.

**Proposed Motion:**

I move to approve the audit report.

**Attachments:**

24-01 Take-Home Vehicles Audit Report