

24-01 Take-Home Vehicles Audit - Follow-up**Status of Management Responses & Action Plans****As of August 2024****Original Report Issuance - March 2024****Follow-up result: Additional follow-up is scheduled for items #1, #2, and #3 in six months.****City Manager's Office
Internal Audit Division****City Manager's Office**

Observation		Recommendations	Management Responses & Action Plans
1 Lack of Documented Policies and Procedures			
Citywide policies detailing internal controls and procedures for management of take-home vehicles do not exist. Establishing written policies detailing internal controls is the first step to clarify processes and employee expectations and documented policies support procedures that are conducted consistently and in an equitable manner. In addition, using taxpayer funds without documented internal controls and process standards is not within best practices. Without clear and documented policies ensuring equitable practices, proper management of the program is not possible.	We recommend take-home vehicle procedures be developed, documented, and communicated to applicable staff.	Take-home vehicle policies will be reviewed to determine if updates are appropriate and procedures for the process will be developed, documented, and communicated by Maintenance and Operations Management and the City Manager's Office. Anticipated completion date July/August 2024.	
City Manager's Office: The city is committed to reviewing the current policies and making appropriate modifications to ensure effective management of fleet and compliance with policy. Anticipated completion date is January 2025. <u>Internal Audit Comment:</u> Audit will conduct additional follow-up on this item in six months.			
2 Fleet Management Review and Approval			
Departmental plans for the location of assigned city-owned vehicles are not provided to, and reviewed by Fleet Management as required by citywide policy #203 <i>Acquisition and Use of City Vehicles</i> . Citywide policy #203 states, in part, "VII Responsibilities B. The [Maintenance and Operations] Department Fleet Management is responsible for: ... 15. Reviewing department plans which designate where assigned City Vehicles will be parked/stored for approval." Noncompliance with this documented city policy may impede the City's ability to effectively manage city-owned vehicles.	We recommend the Maintenance and Operations Department - Fleet Management review and approve departmental plans for parking/storage of City Vehicles as required by citywide policy #203.B.15, or the policy be updated to reflect current policy needs.	The Directors of the departments with staff at the Corp Yard have met and established parking spaces for all employees and city owned vehicles. Executive Management will review the existing policy and evaluate if changes are needed and develop a plan for annual submission of all departmental vehicle plans. Estimated completion date July/August 2024.	
Maintenance & Operations: This is in process. The Fleet Division is developing a process to user department's to review and update parking / storage of city vehicles. This is anticipated to be completed with submission to the Fleet Division for review and approval per policy #203. <u>Internal Audit Comment:</u> Audit will conduct additional follow-up on this item in six months.			

3	Attestation Forms		
	<p>Attestation forms documenting employee understanding of de minimis personal use of city-owned vehicles are not currently completed for employees assigned take-home vehicles. Citywide policy #203 <i>Acquisition and Use of City Vehicles</i> includes the following requirement in Section D. <i>Home Storage</i> e, part 6, "City employees may not use City Vehicles for personal purposed other than commuting or de minimis personal use. Employees will be required to sign documentation indicating their understanding of de minimis personal use."</p> <p>Noncompliance with this documented city policy may impede the City's ability to effectively enforce the policy and manage the intent of minimal personal use of city-owned vehicles.</p>	<p>We recommend departmental management require employee acknowledgment of de minimis personal use of take-home-city owned vehicles as required by citywide policy #203.</p>	<p>Staff will review the existing policy and determine a process and city-wide form for attestation.</p> <p>Anticipated completion date July/August 2024.</p>
<p>City Manager's Office: The City Manager's Office will work with the respective departments to ensure compliance with the established policy to include attestation form completion and retention.</p> <p><u>Internal Audit Comment:</u> Audit will conduct additional follow-up on this item in six months.</p>			
4	Business Purpose for Take-Home Vehicles		
	<p>There has been a longstanding practice to allow various employees to take home city-owned vehicles rather than commute with their personal vehicle. The documented business purpose for this is either to <i>respond to emergencies or, the parking cannot accommodate 2 vehicles per employee</i> , for eleven departmental personnel.</p> <p>Citywide policy #203 <i>Acquisition and Use of City Vehicles</i> Section D.2. includes, "Home storage may be authorized only when the employee is directed by their assigned department head to keep the vehicle at their residence because: a. The employee has been formally assigned to an on-call status, receives on-call compensation, and their duties include a requirement for immediate response to emergency conditions outside of normal working hours; ... c. The department is unable to provide adequate, secure storage for the vehicle, or the vehicle is at substantial risk if not stored at an employee's home during non-working hours."</p> <p>Per observation, there is ample open space near the department's office for employees to park personal vehicles while at work after some adjustments are made to the Corp Yard's parking area in coordination with Maintenance and Operations Management. Best practices and citywide equity principles encourage standard, consistent treatment of non-collective bargaining agreement associated employee perks.</p>	<p>We recommend parking spaces be made available for the employees personal vehicles near the department's office in coordination with Maintenance and Operations Management.</p>	<p>The Directors of the departments with staff at the Corp Yard have met and agreed upon and established parking spaces for all employees and city-owned vehicles.</p> <p>Measures have been taken, and this item has been completed.</p>
<p>City Manager's Office: na, completed</p> <p><u>Internal Audit Comment:</u> No further audit follow-up is required.</p>			

5	Unnecessary Fuel Costs	<p>The City is unnecessarily incurring fuel costs for employees that have been authorized to commute with a city-owned vehicle. City-owned vehicles are generally fueled at the Corp Yard with city-purchased fuel. The fuel cost is approximately \$4,562 annually for the commuting fuel used by eleven department personnel based on documentation provided by the department. Citywide Policy #303 <i>Purchasing</i> Section V states, in part, "It is the policy of the City of Reno to purchase goods and services necessary to conduct City business in a manner that is cost effective, efficient, and in compliance with the Local Government Purchasing Act."</p>	<p>We recommend Executive Management acknowledge this unnecessary fuel cost and determine if any operational changes will be implemented.</p>	<p>As take-home vehicles have been reduced to only the minimum number as deemed necessary for business use, Management feels this expense will reduce.</p> <p>Take-home vehicles have been reduced and Departments will continue to monitor needs and associated expenses. This item has been completed.</p>
<p>City Manager's Office: na, completed</p> <p><u>Internal Audit Comment:</u> No further audit follow-up is required.</p>				
6	City Carries Risk Unnecessarily	<p>City employees are commuting with city-owned vehicles. When employees commute with city-owned vehicles, the City invites additional risks unnecessarily such as an increased likelihood of a city-owned vehicle crash, vehicle repair costs, and possible workers' compensation expenses. Best business practices include reducing unnecessary risks where appropriate.</p>	<p>We recommend Executive Management acknowledge this unnecessary risk and determine if any operational changes will be implemented.</p>	<p>As take-home vehicles have been reduced to supervisory staff, or those on-call, the risk has been reduced.</p> <p>Measures were taken prior to audit review completion in anticipation, and this item has been completed.</p>
<p>City Manager's Office: na, completed</p> <p><u>Internal Audit Comment:</u> No further audit follow-up is required.</p>				
7	Use of Telematics	<p>The City currently uses vehicle telematics sparsely throughout the fleet inventory. The use of vehicle telematics is a tool with the ability to enhance fleet asset management. This includes increasing safety and productivity, tracking service response, reducing emissions, and providing data for program management. Vehicle telematics can help improve the efficiency of an organization's fleet. When city-owned vehicles are taken off-site, the City invites additional risks that, without data reporting vehicle information, risk management is problematic. Best business practices include applying technological tools to program administration where appropriate.</p>	<p>We recommend Executive Management consider implementing vehicle telematics to more of the City's fleet for enhanced program management.</p>	<p>Telematics have been implemented on various vehicles in the City's fleet. The annual cost per vehicle is approximately \$1,500 per vehicle. Budgetary constraints prevent fleet-wide implementation; however, budget and policies will be reviewed to determine if there is a path available as the fleet ages and vehicles are retired and replaced.</p> <p>Annual budget reviews will be part of the process to determine fleet cost replacement and feasibility of a fleet programmatic roll-out.</p>
<p>Maintenance & Operations: Fleet Management has been informing departments of the availability of GPS/telematics. Some departments/divisions have opted in, others are considering, while others are not ready yet. The cost burden is the responsibility of the user as that is who is in charge of the deployment and use.</p> <p><u>Internal Audit Comment:</u> Management is aware of telematics and consideration of its implementation is a component of the fleet management process. No further audit follow-up is required.</p>				

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Follow-up result:



City Manager's Office
Internal Audit Division

Reno Police Department

	City of Reno Internal Audit Observation	Recommendation
8	<p>RPD Policies and Procedures</p> <p>The police department does not have formal, detailed policies with standards, expectations, and processes regarding the management of take-home vehicles. General Order no: P-311-05 Police Vehicle Usage and Emergency Vehicle Operation indicates long-term assignments may be made at the direction of the Chief of Police and that motor units may take their assigned units home in accordance with the bargaining agreement with the Reno Police Protective Association (RPPA). However, the process of how the Chief would approve is not available and the current RPPA contract does not include information about take-home vehicles.</p> <p>Establishing written policies detailing internal controls is the first step to clarifying processes and employee expectations; documented policies support procedures that are conducted consistently and in an equitable manner. In addition, using taxpayer funds without documented internal controls and process standards is not within best practices. Without clear and documented policies, ensuring equitable practices and proper management of the program is not possible.</p>	<p>We recommend police department management develop formal, detailed policies for take-home vehicles and implement the policy's procedures within the department.</p>

CPSM Observation & Recommendation

9	The department should consider putting a milage restriction of 25 miles from the city limits for take-home vehicles.
	Fleet Command level vehicles are issued to commanders and above and they are allowed to take their vehicles home. Also included in the take-home vehicle program are K9 officers, detectives, task force officers, motor officers, community action officers, traffic accident investigators, and victim services employees. The department has no mileage restriction on vehicles taken home by employees; however, it appears there are few employees who live outside the area of the valley encompassing the Reno/Sparks/County area. Employees who live long distances from the department (25 or more miles) add unnecessary mileage to their vehicles driving back and forth to work, which increases fuel, maintenance, and replacement costs for those vehicles. CPSM recommends the department consider implementing a mileage restriction of 25 miles from the city limits for take-home vehicles to reduce operating costs.
10	RPD should assess if a milage restriction should be implemented for unit take-home vehicles Regional Crime Suppression Unit Since the officers in the unit work in an undercover capacity, they wear plain clothes attire during their shifts and drive unmarked vehicles. Members of the unit are allowed to take their assigned vehicles home, due to the necessities of the position. However, there is no mileage restriction on the take-home vehicles. In many agencies studied by CPSM that becomes an issue due to many officers not living within the city in which they are employed. If officers do live an extended distance away from the city, it can put additional mileage on vehicles when not necessary. The purpose of take-home cars is so the employee can respond quickly to an incident and not have to respond to the police department to obtain their equipment. With a take-home vehicle the employee can respond directly to the scene. RPD should assess if changes should be made to the no mileage restriction. Most law enforcement agencies that have mileage restrictions usually limit the distance to 25 miles from the city limits.

RPD Management Responses #8-10, January 29, 2024

RPD acknowledges and agrees with findings #8-10. We are in the process of establishing a comprehensive take home vehicle policy. This policy will take into account the existing city policy and will require approval for distances in excess of 30 miles for take home vehicles. Incorporated into the policy will be a tracking and acknowledgment form to ensure the department has a method to ensure compliance and audit the take home vehicle usage.

RPD has hired a policy review organization, Lexipol, to evaluate our policies. We will be starting this process in the upcoming months and will prioritize this policy. Again, thank you for your time, and please let us know if we can provide anything additional.

Sincerely, Kathryn Nance Chief of Police

The *Reno Police Department General Order, TAKE HOME VEHICLES, B-138-98*, issued August 20, 2024 includes detailed policy and procedural standards for RPD personnel that are assigned city vehicles. The policy includes a mileage restriction of no more than 30 miles from the Reno City limits without prior approval from a supervisor (for nonrecurring training, events, etc.) and the same mileage restriction without prior approval from the Chief of Police or their designee (for commuting).

Audit examined the General Order and the accompanying Executive Directive from Chief Kathryn Nance issued to "The Reno Police Department." No further follow-up is scheduled.