

# CITY OF PHILADELPHIA PENNSYLVANIA

## OFFICE OF THE CONTROLLER

*Promoting honest, efficient, and fully accountable government*

### AGREED UPON PROCEDURES REVIEW OF THE CITY OF PHILADELPHIA'S VEHICLE USE AND ASSIGNMENT

FISCAL 2013



City Controller



# CITY OF PHILADELPHIA

OFFICE OF THE CONTROLLER  
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ALAN BUTKOVITZ  
City Controller  
GERALD V. MICCIULLA  
Deputy City Controller

March 24, 2014

Richard Negrin, Deputy Mayor for Administration and Coordination  
and Managing Director  
Managing Director's Office  
Municipal Services Building, Room 1430  
1401 John F. Kennedy Boulevard  
Philadelphia, PA 19102

Dear Mr. Negrin:

The Office of the Controller commissioned and oversaw an agreed upon procedures review, conducted by the independent accounting firm of Holmes and Company, LLC, to review departmental compliance with the City of Philadelphia's Vehicle Use and Assignment Policy. The review also included an evaluation of the procedures used by the Managing Director's Office to monitor and enforce departmental compliance with the Vehicle Use and Assignment Policy. This review was conducted pursuant to Section 6-400 (d) of the Home Rule Charter, and the results of the independent accountant's review are summarized in the executive summary attached to this report.

We discussed the findings and recommendations with your staff at an exit conference. Despite providing you with additional time to formally respond to the report as you requested, we did not receive a written response to the findings. We believe the recommendations in the attached report, if implemented, will improve departmental compliance with the City's Vehicle Use and Assignment Policy.

We would like to express our thanks to you and your staff, as well as the staffs of the Office of Fleet Management and the other departments included in the review, for the courtesy and cooperation displayed during the conduct of our work.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Alan Butkovitz'.

ALAN BUTKOVITZ  
City Controller

cc: Honorable Michael A. Nutter, Mayor  
Honorable Darrell L. Clarke, President  
and Honorable Members of City Council  
Members of the Mayor's Cabinet  
Christopher Cocci, Fleet Manager



# AGREED UPON PROCEDURES REVIEW OF THE CITY OF PHILADELPHIA'S VEHICLE USE AND ASSIGNMENT

## EXECUTIVE SUMMARY

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### Why the Controller's Office Conducted the Examination

Pursuant to Section 6-400 (d) of the Philadelphia Home Rule Charter, the Office of the Controller commissioned and oversaw an agreed upon procedures review, conducted by the independent accounting firm of Holmes and Company, LLC, to review departmental compliance with the City of Philadelphia's Vehicle Use and Assignment Policy. The review also included an evaluation of the procedures used by the Managing Director's Office (MDO) to monitor and enforce departmental compliance with the Vehicle Use and Assignment Policy.

### What the Controller's Office Found

Some of the more significant observations are listed below. We believe management should immediately address these findings and other conditions described in the report:

- The MDO did not provide any documentation to demonstrate that they were monitoring and enforcing the departments' adherence to the City's Vehicle Use and Assignment Policy.
- According to personnel in the MDO and the Office of Fleet Management, there has been no recent documented analysis to determine the appropriate fleet size for each city department.
- Parks and Recreation did not complete the City's required driver's license verification procedure for the majority of its personnel, which totaled over 500 employees.
- Departments were not always tracking accidents involving their employees or taking the required action to evaluate those employees' continued eligibility to drive a City vehicle.
- Department usage logs did not always include the reasons for vehicle usage, written permission for vehicle usage, and/or intended destinations. Also, employees were not always required to sign to acknowledge receipt of the vehicle, or vehicle pick-up and return times.
- Several departments were unable to provide documentation to verify compliance with City requirements for employee Take-Home Vehicle Privileges, including the required approvals for those privileges.

### What the Controller's Office Recommends

The MDO should develop policies and procedures to ensure on-going monitoring of departmental compliance with the City's Vehicle Use and Assignment Policy, which include (1) conducting an analysis to determine the appropriate fleet size for each department; (2) instructing departments to adhere to the required driver's license verification procedure; (3) developing standard accident tracking and vehicle usage log forms for departments to use and requiring periodic compliance reviews of these forms; and (4) requiring departments to maintain all required documentation for Take-Home Privileges. These and other recommendations are more fully described in the report.

**INDEPENDENT ACCOUNTING FIRM'S REPORT**

**AGREED UPON PROCEDURES REVIEW**

**OF**

**The City of Philadelphia's Vehicle Use and Assignment**

**PERFORMED FOR**

**Office of the City Controller**

Prepared by

**Holmes & Company, LLC**

Fiscal Year Ended June 30, 2013

**Office of the City Controller**  
**The City of Philadelphia’s Vehicle Use and Assignment**

**AGREED UPON PROCEDURES REVIEW**

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## INTRODUCTION

## INTRODUCTION

### **Background:**

The City's Office of Fleet Management is responsible for purchasing and maintaining all City vehicles. At June 30, 2012, the Office of Fleet Management reported a total City inventory of 6,122 vehicles, many of which were assigned to City departments for the use of employees in the daily conduct of their work.<sup>1</sup>

The Managing Director's Office is responsible for overseeing the utilization and optimization of departmental fleets, developing City vehicle use policies, and enforcing adherence to all guidelines pertaining to vehicle usage.

It is the responsibility of the individual departments to internally manage the daily release of their assigned vehicles. Certain City employees, by virtue of their position, are permitted take-home privileges of their assigned vehicles. The departmental appointing authorities determine, by applying City guidelines, which positions are eligible for Take-Home Vehicle Assignments. The purpose of permitting Take-Home Vehicle Assignment is to provide a means of transportation for employees who are required to frequently respond to emergency situations from the employee's residence. An employee must also meet a quantifiable standard, i.e., a pre-determined number of emergency call-outs in order to justify a Take-Home Vehicle Assignment.

### **Scope:**

Holmes & Company, LLC has been engaged by the Office of the City Controller to perform specific agreed-upon procedures, enumerated in this report, of the City's Office of Fleet Management vehicles, which were assigned to the following City departments:

- Office of Fleet Management (Fleet Management)
- Department of Public Health
- Department of Human Services
- Department of Licenses and Inspections
- Parks and Recreation
- Department of Public Property
- Streets Department
- Water Department
- Managing Director's Office (MDO)

Our review covered the use of City vehicles during the period May 31, 2012 through June 1, 2013.

### **Engagement Process:**

The engagement process was as follows:

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<sup>1</sup> As of November 21, 2013, Fleet Management reported a total inventory of 5,843 vehicles for all City departments.



## INTRODUCTION

- Prior to commencement of test work, conducted an Entrance Conference with the Office of the City Controller and representatives of the MDO and Fleet Management to describe the purpose and scope of the review.
- Performed interviews of the Departments' management to determine management's understanding of the City's policies and procedures in regard to the usage and management of City vehicles.
- Obtained and reviewed relevant documentation, including policies and procedures manuals related to management and usage of City vehicles.
- Considered other relevant factors, as appropriate, that could impact the effectiveness of the management and usage of City vehicles.
- Summarized and documented the results by applying the agreed-upon procedures listed below.
- Discussed all preliminary findings with the individuals responsible for the areas tested.
- Prepared this agreed-upon procedures report for submission to the Office of the City Controller.

### **Agreed Upon Procedures**

The agreed-upon procedures were:

1. Reviewed department procedures for analyzing operating needs, fleet size and configuration to determine that the number and type of vehicles assigned to the department were justified by departmental records of vehicle assignment and usage. The focus of the review was on sedans, sport utility vehicles, vans, passenger wagons and pickup trucks.
2. Reviewed, for each department tested, the records detailing vehicle assignment and usage. Observed available documentation to determine whether the department required that all employees who were permitted to use City vehicles:
  - a. Were instructed that the vehicles are not to be used for personal or private business.
  - b. Possessed a valid and current Pennsylvania driver's license.
  - c. Indicated the reason for requesting to use a city vehicle.
  - d. Obtained written permission to use the vehicle from an authorized department employee.
  - e. Disclosed their intended destination and estimated duration of vehicle usage.
  - f. Obtained prior written approval for vehicle use outside the City.
  - g. Signed to acknowledge receipt of the vehicle, the time it was checked out and the time it was returned.

## INTRODUCTION

3. Observed the accident log to see if any of the employees were involved in two or more preventable accidents using a City vehicle. The City of Philadelphia's Vehicle Use and Assignment Policy Section 6.2.4 states that such employees will be reviewed by their department for continued eligibility to drive a City vehicle, and will be subject to appropriate personnel actions.
4. Determined that the policies and procedures over Take-Home Vehicle Assignments were being enforced. Reviewed the available documentation to determine that:
  - a. Take-Home privileges were properly authorized in writing.
  - b. Take-Home privileges were based on the employees' position.
  - c. The employee met the quantifiable standard of being called out at least 12 times per quarter or 48 times a year.
5. For senior City management personnel with Take-Home privileges, verified that approval was granted by both the Mayor (or designee) and the Cabinet-level official (or independently elected official) overseeing the position, as required by the City of Philadelphia's Vehicle Use and Assignment Policy Section 7.4.1.
6. Reviewed the MDO's responsibilities to ascertain whether proper oversight was maintained.

The Agreed Upon Procedures Review included: (1) interviewing department personnel; (2) reviewing and substantiating documentation supporting the management of their vehicle fleet; and, (3) re-performing certain department and City procedures. The sample of transactions tested was for the period May 31, 2012 through June 1, 2013.

### **Limitations**

This report does not constitute an audit, the objective of which would be to express an opinion on financial statements or assertions. Accordingly, we do not express such an opinion. Instead, this report is a comprehensive, professional analysis focused on compliance with Vehicle Use and Assignment policies and procedures established by the City of Philadelphia's MDO. Since data provided by the departments in the scope were assumed to be accurate, any inherent limitations, errors, or fraud that may have occurred might not have been detected.

The sufficiency of the procedures detailed in the Introduction section of this report is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described in the Introduction section either for the purpose for which this report has been requested or for any other purpose.

Except for discussions of specific concerns with the Office of the City Controller, all other procedures summarized in the Introduction section of this report were performed on-site at the offices of the departments in the scope from June 10, 2013 to June 26, 2013.

**INDEPENDENT ACCOUNTANT'S REPORT**

**INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES**

Alan Butkovitz, Esquire, City Controller  
Office of the City Controller  
City of Philadelphia  
Room 1230 Municipal Services Building  
1401 John F. Kennedy Boulevard  
Philadelphia, PA 19102-1679

We have performed the procedures enumerated in this report, which were agreed to by the City of Philadelphia, Office of the City Controller, solely to assist you in determining the City of Philadelphia's (City's) compliance with the applicable laws and regulations regarding the use of City-owned vehicles, compliance with its internal policies and procedures relating to the use of vehicles assigned to certain City departments, and the assignment of vehicles to individuals within City departments, including employees with take-home privileges.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and in accordance with *Generally Accepted Government Auditing Standards* issued by the Comptroller General of the United States. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described in the Introduction section either for the purpose for which this report has been requested or for any other purpose.

The agreed-upon procedures and associated findings are documented in the Introduction and Findings sections, respectively.

We were not engaged to, and did not conduct an examination, the objective of which would be to express an opinion on the usage and assignment of city vehicles. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the City of Philadelphia, Office of the City Controller, and the Managing Director's Office and is not intended to be and should not be used by anyone other than these specified parties.

*Holmes & Company LLC*

Cherry Hill, New Jersey  
September 23, 2013

**FINDINGS**

## FINDINGS

Following is a summary of our findings related to vehicle usage and assignment. A matrix summarizing these findings by department is located in the Appendix to this report.

- Our discussions with MDO and Fleet Management personnel disclosed that there has been no recent documented analysis of the city's fleet size to determine the number of vehicles needed by each city agency.
- For four departments, there was no documentation to verify that employees were instructed that City vehicles should not be used for personal or private business.
- One department did not complete the City's required license verification procedure for a significant number of its employees by failing to provide their driver's license information for inclusion in the Human Resources Information System used by the Risk Management Division to verify that employees have a current and valid driver's license.
- Usage logs in five departments did not include the reasons for vehicle usage, written permission for vehicle use, and/or intended destinations.
- Employees in five departments were not always required to sign to acknowledge receipt of the vehicle, or vehicle pick-up and return times.
- Three departments did not maintain a log to track accidents involving their employees and/or take the required action for employees with two or more preventable accidents involving a City vehicle.
- Documentation for various aspects of departmental Take-Home Privileges was unavailable, including documentation related to:
  - Granting and approving Take-Home Privileges for selected employees (four departments);
  - Substantiating that vehicle Take-Home Privileges were based upon the employee's position (four departments);
  - Demonstrating that employees met the quantifiable standard necessary to qualify for Take-Home Privileges (five departments); and,
  - Determining that senior management employees with Take-Home Privileges had the approval of both the Mayor (or designee) and the Cabinet-level official (or independently elected official) overseeing the position (six departments).
- The MDO did not provide any documentation to demonstrate that they were monitoring and enforcing the departments' adherence to the City's Vehicle Use and Assignment Policy.

Additional detail concerning these findings by department is presented below.

## **OFFICE OF FLEET MANAGEMENT (FLEET MANAGEMENT)**

### **Results/Analysis for procedure 1:**

Fleet Management records (as of June 4, 2013) noted that their department had 100 vehicles (35 Pick-ups, 37 SUVs, 13 Sedans, and 15 Vans). In addition to Fleet Management determining its own fleet size, they also have the responsibility for monitoring other departments reviewed in this report.

Prior to the creation of Fleet Management in July 1993, each city agency managed its own vehicles and determined the size of its own fleet. With the formation of Fleet Management, the responsibility for maintaining and purchasing vehicles for all city agencies was centralized in one department. Fleet Management officials informed us of two fleet reduction initiatives performed during the past decade. In 2004, because of environmental concerns, the city's fleet was reduced by 335 vehicles based on a review of fuel usage. In 2009, budget cuts resulted in a 422 vehicle reduction in the city's fleet.

Our inquiries of MDO and Fleet Management officials disclosed that there has been no recent documented analysis of the city's fleet size to determine the number of vehicles needed by each city agency. Fleet Management officials stated that, except when a department requests a new vehicle, the city's basic policy with regard to fleet size is a one for one trade when a department needs to replace a vehicle.

Fleet Management personnel stated that the fleet size was adequate for their needs. However, in the absence of a recent documented evaluation of the city's fleet size, we were unable to make a determination on the adequacy of the vehicles assigned to Fleet Management and the other departments included in this agreed upon procedures review.

### **Results/Analysis for procedure 2:**

#### **Findings for Vehicles Assigned to Department Employees**

From a selection of ten vehicles assigned to Fleet Management employees, we found:

- For all ten selections, logs were not kept which detailed the reason for using the vehicle and the destination. The vehicles were: **005080** for Shop 233, **005561** for Shop 134, **025094** for Shop 134, **035144** for Shop 415, **095041** for Shop 316, **125001** for Shop 175, **125019** for Shop 423, **970150** for Shop 175, **970161** for Shop 134, and **980149** for Shop 258.
- For nine of ten selected vehicles, there was no written permission for vehicle use from an authorized department employee. The vehicles were: **005080** for Shop 233, **005561** for Shop 134, **025094** for Shop 134, **035144** for Shop 415, **095041** for Shop 316, **125001** for Shop 175, **125019** for Shop 423, **970150** for Shop 175, and **980149** for Shop 258.

- For three of ten selections, there was no signed acknowledgement of receiving the vehicle. The vehicles were: **125001** for Shop 175, **970150** for Shop 175, and **970161** for Shop 134.

### **Findings for Department Pool Vehicles**

From a selection of ten Fleet Management pool vehicles, the following was noted:

- The department did not have a usage log for tracking Vehicle **960266** for Shop 316.
- The usage logs for three selected vehicles did not specify the reason for requesting the vehicle and whether it was approved by an authorized employee. The vehicles were: **995039** for Shop 134, **065198** for Shop 233, and **085307** for Shop 241.
- The usage logs for two selected vehicles did not specify the destination. The vehicles were: **960629** for Shop 415 and **995039** for Shop 134.

### **Results/Analysis for procedure 3:**

No findings. Fleet Management recorded and tracked their employee accidents.

### **Results/Analysis for procedure 4:**

#### **Findings for Take-Home Privileges**

For all five selected Fleet Management employees with Take-Home Privileges (Vehicles **025094**, **035144**, **095041**, **125001**, and **125019**), we found that no documentation was available to:

- Evidence the granting and approval of the Take-Home Privileges;
- Show that the Take-Home Privileges were based upon the employee's position; and
- Demonstrate that the employees met the quantifiable standard test of having been called out at least 12 times per quarter or 48 times per year.

### **Results/Analysis for procedure 5:**

#### **Findings for Senior Management Take-Home Privileges**

For one selected senior management employee with Take-Home Privilege (Vehicle **125001**), no documentation was provided to verify that the approval for the Take-Home Privilege had been granted by both the Mayor (or designee) and the Cabinet-level official overseeing the position.



## **STREETS DEPARTMENT (STREETS)**

### **Results/Analysis for procedure 1:**

Fleet Management records (as of June 4, 2013) noted that Streets had 237 vehicles (93 Pick-ups, 86 SUVs, 15 Sedans, and 43 Vans). Management stated the fleet size was adequate for their needs. However, as detailed on page 11 of this report, we were unable to make a determination on the adequacy of the vehicles assigned to Streets.

### **Results/Analysis for procedure 2:**

#### **Findings for Vehicles Assigned to Department Employees**

For all ten selected vehicles assigned to Streets employees, we found:

- There was no verification or signed acknowledgement that the employee understood that the vehicle is not to be used for personal or private business.
- No logs were kept detailing the reason for use, whether the individual received written permission from an authorized department employee, or the destination.

The ten selected assigned vehicles were: **005079, 005167, 040083, 055149, 055150, 095033, 105006, 970181, 970324, and 995041.**

#### **Findings for Department Pool Vehicles**

For all ten selected pool vehicles, the following was noted:

- There was no verification or signed acknowledgement that an employee understood that the vehicle is not to be used for personal or private business.
- No logs were kept detailing the reason for use, whether the individual received written permission from an authorized department employee, or the destination.

The ten selected vehicles were: **000149, 005090, 005163, 005523, 065106, 085203, 085237, 095040, 995118, and 995228.**

### **Results/Analysis for procedure 3:**

No findings. Streets recorded and tracked their employee accidents.

**Results/Analysis for procedure 4:**

**Findings for Take-Home Privileges**

For all five selected Streets employees with Take-Home Privileges (Vehicles **005079**, **055150**, **095033**, **105006**, and **970324**), we found that no documentation was available to:

- Evidence the granting and approval of the Take-Home Privileges;
- Show that the Take-Home Privileges were based upon the employee's position; and
- Demonstrate that the employees met the quantifiable standard test of having been called out at least 12 times per quarter or 48 times per year.

**Results/Analysis for procedure 5:**

**Findings for Senior Management Take-Home Privileges**

For three selected senior management employees with Take-Home Privileges (Vehicles **095279**, **125013**, and **980147**), approval from the department head was confirmed. However, Streets did not provide any documentation to verify that the Mayor (or his designee) and the Cabinet-level official overseeing the position had approved the Take-Home Privileges, as required by City policy.

## **DEPARTMENT OF PUBLIC HEALTH (HEALTH)**

### **Results/Analysis for procedure 1:**

Fleet Management records (as of June 4, 2013) noted that Health had 109 vehicles (16 Pick-ups, 22 SUVs, 39 Sedans, and 32 Vans) while Health personnel informed us the department had 116 vehicles.

Management stated the fleet size was adequate for their needs. However, as detailed on page 11 of this report, we were unable to make a determination on the adequacy of the vehicles assigned to Health.

### **Results/Analysis for procedure 2:**

#### **Findings for Vehicles Assigned to Department Employees**

From a sample of ten vehicles assigned to Health employees, we noted the following:

- For all ten selections, there was no verification or signed acknowledgement that the employee understood that the vehicle is not to be used for personal or private business. The vehicles were: **005488, 005492, 035387, 045004, 045009, 085327, 105109, 135084, 995258, and 995307.**
- The usage logs for all ten selected vehicles did not show the intended destination, written approval by a supervisor, or a reason for use of the vehicle.
- For nine of ten vehicles selected, there was no signed acknowledgement showing the time the employee received or returned the vehicle. The vehicles were: **005488, 005492, 035387, 045004, 045009, 085327, 105109, 135084, and 995307.**

#### **Findings for Department Pool Vehicles**

For all five selected department pool vehicles (**5496, 55085, 85351, 95271, and 960440**), we found:

- There was no verification or signed acknowledgement that the employee understood that the vehicle is not to be used for personal or private business.
- The usage log did not show the intended destination, written approval by a supervisor, or a reason for use of the vehicle.

### **Results/Analysis for procedure 3:**

Our review of Health's records indicated that three employees had two or more preventable accidents using a City vehicle. However, Health management provided no evidence to document that they had taken the required action to evaluate these employees for continued eligibility to drive a City vehicle.

**Results/Analysis for procedure 4:**

Not applicable because Health did not have any employees with Take-Home Privileges.

**Results/Analysis for procedure 5:**

Not applicable because Health did not have any employees with Take-Home Privileges.

## **DEPARTMENT OF HUMAN SERVICES (DHS)**

### **Results/Analysis for procedure 1:**

Fleet Management records (as of June 4, 2013) noted that DHS had 108 vehicles (16 SUVs, 5 Sedans, 87 Vans) while DHS management informed us that the department had 100 vehicles.

Management stated the fleet size was adequate for their needs. However, as detailed on page 11 of this report, we were unable to make a determination on the adequacy of the vehicles assigned to DHS.

### **Results/Analysis for procedure 2:**

No findings. DHS adhered to the City of Philadelphia's Vehicle Use and Assignment Policy.

### **Results/Analysis for procedure 3:**

No findings. DHS recorded and tracked their employee accidents.

### **Results/Analysis for procedure 4:**

Not applicable because DHS did not have any employees with Take-Home Privileges.

### **Results/Analysis for procedure 5:**

Not applicable because DHS did not have any employees with Take-Home Privileges.

## **DEPARTMENT OF LICENSES AND INSPECTIONS (L&I)**

### **Results/Analysis for procedure 1:**

Fleet Management records (as of June 4, 2013) noted that L&I had 50 vehicles (7 Pick-ups, 20 SUVs, 16 Sedans, 7 Vans). Management stated the fleet size was adequate for their needs. However, as detailed on page 11 of this report, we were unable to make a determination on the adequacy of the vehicles assigned to L&I.

### **Results/Analysis for procedure 2:**

#### **Findings for Vehicles Assigned to Department Employees**

From a sample of five vehicles assigned to L&I employees, we found the following:

- For all five selections, there was no verification or signed acknowledgement that the employee understood that the vehicle is not to be used for personal or private business. The vehicles were: **55091, 55109, 95049, 960507, and 970154.**
- Usage logs for four of the five selected vehicles did not contain an approval signature from a supervisor or a reason for the vehicle's use. The vehicles were: **55091, 55109, 960507, and 970154.**
- For one selected vehicle (**95049**), no log was received for testing.

#### **Findings for Department Pool Vehicles**

From a sample of five L&I pool vehicles, the following was noted:

- For all five selections, there was no verification or signed acknowledgement that an employee understood that the vehicle is not to be used for personal or private business. The vehicles were: **75017, 95086, 960438, 970156, and 995256.**
- No written permission was documented for vehicle usage for all five selections.
- The usage logs for four vehicles did not have a documented approval signature by a supervisor. The vehicles were: **75017, 95086, 970156, and 995256.**
- The usage logs for two vehicles did not indicate the destination, reason for requesting the vehicle, or the pickup and return times. The vehicles were: **75017 and 95086.**
- The usage logs for vehicles **970156** and **995256** had no signed acknowledgement from the employee who received the vehicle.

### **Results/Analysis for procedure 3:**

No findings. L&I recorded and tracked their employee accidents.

**Results/Analysis for procedure 4:**

**Findings for Take-Home Privileges:**

For all five selected L&I employees with Take-Home Privileges (Vehicles **95046**, **95050**, **95061**, **105120**, and **960585**), we found that no documentation was available to:

- Evidence the granting and approval of the Take-Home Privileges;
- Show that the Take-Home Privileges were based upon the employee's position; and
- Demonstrate that the employees met the quantifiable standard test of having been called out at least 12 times per quarter or 48 times per year.

**Results/Analysis for procedure 5:**

**Findings for Senior Management Take-Home Privileges**

For one selected senior management employee with Take-Home Privileges (Vehicle **95061**), no documentation was provided to verify that the approval for Take-Home Privileges had been granted by both the Mayor (or designee) and the Cabinet-level official overseeing the position.

## **DEPARTMENT OF PUBLIC PROPERTY (PUBLIC PROPERTY)**

### **Results/Analysis for procedure 1:**

Fleet Management records (as of April 17, 2012) noted that Public Property had 65 vehicles (7 Pick-ups, 9 SUVs, 7 Sedans, 42 Vans). Management stated the fleet size was adequate for their needs. However, as detailed on page 11 of this report, we were unable to make a determination on the adequacy of the vehicles assigned to Public Property.

### **Results/Analysis for procedure 2:**

#### **Findings for Vehicles Assigned to Department Employees**

For all five selected vehicles, there was no verification or signed acknowledgement that the employee understood that the vehicle is not to be used for personal or private business. The vehicles were: **085250, 085269, 950137, 960195, and 960635.**

#### **Findings for Department Pool Vehicles**

From a sample of ten Public Property pool vehicles, the following was noted:

- For all ten selections, there was no verification or signed acknowledgement that the employee understood that the vehicle is not to be used for personal or private business. The vehicles were: **085240, 085251, 085344, 960023, 960086, 960147, 970316, 970321, 995190, and 995281.**
- For two selected vehicles' usage logs (Vehicles **970321** and **995281**), there was no:
  - Destination indicated,
  - Signed acknowledgment of receiving the vehicle, and
  - Indication of the time the vehicle was returned.
- For six selected vehicles (**085240, 085251, 960023, 970316, 970321, and 995281**), there was no written authorization for use of that vehicle recorded in the usage logs.
- For one selected vehicle (**085344**), no log was received for testing.

### **Results/Analysis for procedure 3:**

#### **Findings for Accident Logs**

Our review revealed the following:

- Public Property did not maintain an accident log to track accidents involving its employees.
- Two Public Property employees had two or more preventable accidents using a City vehicle. However, no documentation was provided to evidence that the department had evaluated these employees for continued eligibility to drive a City vehicle as required by City policy.



**Results/Analysis for procedure 4:**

**Findings for Take-Home Privileges**

From a sample of five Public Property employees with Take-Home Privileges, we noted that three employees did not meet the quantifiable standard test of having been called out at least 12 times per quarter or 48 times per year. These three employees were assigned vehicles **065195**, **105104**, and **095075**.

**Results/Analysis for procedure 5:**

**Findings for Senior Management Take-Home Privileges**

A selected senior management employee with Take-Home Privileges received approval from a Public Property deputy commissioner but not from the Mayor (or his designee) or the Cabinet-level official overseeing the position, as required by City policy. This employee was assigned vehicle **980180**.

## **WATER DEPARTMENT (WATER)**

### **Results/Analysis for procedure 1:**

Fleet Management records (as of June 4, 2013) noted that Water had 542 vehicles (148 Pick-ups, 199 SUVs, 29 Sedans, 166 Vans). Management stated the fleet size was adequate for their needs. However, as detailed on page 11 of this report, we were unable to make a determination on the adequacy of the vehicles assigned to Water.

### **Results/Analysis for procedure 2:**

#### **Findings for Vehicles Assigned to Department Employees**

No findings were noted from our testing of selected vehicles assigned to Water employees.

#### **Findings for Department Pool Vehicles**

For five of the ten department pool vehicles selected for testing, there was no signed acknowledgement of receiving the vehicle. The vehicles were: **000070, 000032, 010058, 020052, and 030017.**

### **Results/Analysis for procedure 3:**

No findings. Water recorded and tracked their employee accidents.

### **Results/Analysis for procedure 4:**

#### **Findings for Take-Home Privileges**

All ten selected employees with Take-Home Privileges did not meet the quantifiable standard test of having been called out at least 12 times per quarter or 48 times per year. These ten employees were assigned vehicles **00132, 25231, 50098, 60039, 60041, 60042, 60047, 70032, 80088, and 990073.**

### **Results/Analysis for procedure 5:**

#### **Findings for Senior Management Take-Home Privileges**

Two selected senior management employees with Take-Home Privileges received approval from the Mayor's Office but not from the Cabinet-level official overseeing the positions as required by City policy. The employees were assigned vehicles **25231 and 60047.**

## **PARKS AND RECREATION**

### **Results/Analysis for procedure 1:**

Fleet Management records (as of June 4, 2013) noted that Parks and Recreation had 174 vehicles (77 Pick-ups, 45 SUVs, 9 Sedans, and 43 Vans). Management stated the fleet size was adequate for their needs. However, as detailed on page 11 of this report, we were unable to make a determination on the adequacy of the vehicles assigned to Parks and Recreation.

### **Results/Analysis for procedure 2:**

#### **Findings for Vehicles Assigned to Department Employees**

From a sample of 30 employees who were assigned vehicles,<sup>2</sup> we found that the City's required driver's license verification procedure had not been completed for 15 (50 percent) of these employees. Parks and Recreation had not provided the driver's license information for these 15 employees for inclusion in the Human Resources Information System (HRIS) used by the City's Risk Management Division to verify that employees possess a current and valid driver's license. The 15 employees were assigned vehicles **000111, 000150, 005121, 005550, 055108, 085007, 085243, 085300, 085324, 095091, 950279, 950303, 970282, 980159, and 995274.**

Furthermore, Parks and Recreation personnel informed us that, when the HRIS was converted to an Oracle database, the driver's license information was brought over to the new database for only 160 of its 500+ employees. Therefore, license verification was not being completed for the majority of Parks and Recreation employees.

#### **Findings for Department Pool Vehicles**

No findings were noted from our testing of selected Parks and Recreation pool vehicles.

### **Results/Analysis for procedure 3:**

#### **Findings for Accident Logs**

Parks and Recreation did not keep a tracking log for its employees' accidents. Without such records, there is an increased risk of noncompliance with the City Vehicle Use and Assignment Policy section 6.2.4, which requires departments to evaluate employees with two or more preventable accidents while using a City vehicle for continued eligibility to drive a City vehicle and then to take the appropriate personnel actions.

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<sup>2</sup> This sample of 30 included 5 employees who had Take-Home Privileges.

**Results/Analysis for procedure 4:**

**Findings for Take-Home Privileges**

For all six selected employees with Take-Home Privileges (Vehicles **005121**, **055108**, **065095**, **085243**, **980159**, and **995274**), we found that no documentation was available to:

- Evidence the granting and approval of the Take-Home Privileges; and
- Show that the Take-Home Privileges were based upon the employee's position.

**Results/Analysis for procedure 5:**

**Findings for Senior Management Take-Home Privileges**

For one selected senior management employee with Take-Home Privileges (Vehicle **995274**), no documentation was provided to verify that the approval for Take-Home Privileges had been granted by both the Mayor (or designee) and the Cabinet-level official overseeing the position, as required by City policy.

**MANAGING DIRECTOR'S OFFICE (MDO)**

**Results/Analysis for procedure 1:**

N/A – Procedure not applicable for MDO

**Results/Analysis for procedure 2:**

N/A – Procedure not applicable for MDO

**Results/Analysis for procedure 3:**

N/A – Procedure not applicable for MDO

**Results/Analysis for procedure 4:**

N/A – Procedure not applicable for MDO

**Results/Analysis for procedure 5:**

N/A – Procedure not applicable for MDO

**Results/Analysis for procedure 6:**

Due to the number of departments with access to City vehicles, the departmental controls over the process of using and assigning these vehicles to employees may vary significantly. As part of our engagement, we requested from the MDO both its procedures for monitoring departmental compliance with the requirements of the City's Vehicle Use and Assignment Policy and the related documentation of compliance noted by the MDO. However, MDO did not provide us with any documentation to support that they were monitoring and enforcing adherence to this policy. Therefore, we were unable to verify that the MDO was properly performing its assigned oversight responsibilities with regard to the City's Vehicle Use and Assignment Policy.

**RECOMMENDATIONS**

## RECOMMENDATIONS

### *Procedure 1: Analysis of Department Fleet Size Needs*

**Condition:** Our inquiries of MDO and Fleet Management officials disclosed that there has been no recent documented analysis of the city's fleet size to determine the number of vehicles needed by each city agency.

**Recommendation:** The MDO should ensure that a study is conducted of the city's entire fleet to determine the appropriate fleet size for each city department. In performing this evaluation, management should obtain input from the departments as to their vehicle needs. The analysis should be formally documented so that it can serve as a baseline for making future decisions on vehicle fleet size.

### *Procedure 2: Usage and Assigned Vehicles*

**Condition:** Employees in several departments were not always instructed that City vehicles should not be used for personal or private business.

**Recommendation:** The MDO should develop a standard form for each department to use in communicating the prohibition on personal or private business use. All employees with driving privileges should sign the form to acknowledge their understanding of usage restrictions.

**Condition:** There were several departments that did not identify key components within their vehicle usage logs.

**Recommendation:** The MDO should implement a standard vehicle usage log form that will be mandatory for all departments that utilize City of Philadelphia vehicles. Each department should also designate someone to review the usage logs. Such a review should be performed periodically (e.g. monthly) and ensure the completeness, proper record keeping, and oversight of the information being submitted. The usage log form should have the following fields:

- The reason for requesting to use a city vehicle.
- The written permission or authorization to use the vehicle from an authorized department supervisor or manager.
- The intended destination and estimated duration of vehicle usage.
- Prior written approval for vehicle use outside of City limits.
- Employee signature acknowledging receipt of the vehicle.
- Time and date of request and when the vehicle was returned.
- Mileage before and after vehicle use.

Additionally, the MDO should request and review usage logs from the applicable departments on at least a quarterly basis to ensure adherence to all vehicle usage guidelines.

**Condition:** One department did not complete the City's required license verification procedure for a significant number of its employees by failing to provide their driver's license information for

inclusion in the HRIS used by the Risk Management Division to verify that employees have a current and valid driver's license.

**Recommendation:** The MDO must instruct all City departments to adhere to the City's required license verification procedure by immediately forwarding all applicable employees' driver's license information for inclusion in the HRIS.

***Procedure 3: Maintenance of Accident Logs***

**Condition:** Three of eight departments reviewed did not maintain a log to track accidents involving their employees and/or take the required action for employees with two or more preventable accidents when driving a City vehicle.

**Recommendation:** The MDO should develop a standard log form for all departments to use in tracking employee accidents. Departments should designate an employee to review the accident tracking log to identify individuals with two or more preventable accidents involving City vehicles and then initiate the required action. The MDO should periodically review department accident logs to ensure compliance.

***Procedures 4 and 5: Take-Home Privileges***

**Condition:** Several departments did not have proper documentation for individuals with Take-Home privileges to (1) evidence management approval, (2) show that such privilege was based upon the employee's position, and (3) demonstrate that the employee met the quantifiable standard to qualify for the privilege. In addition, several departments were unable to provide documentation to verify that senior management Take-Home Privileges had the required joint approval of the Mayor (or designee) and the Cabinet-level official (or independently elected official) overseeing the position.

**Recommendation:** The MDO should require departments who have employees with Take-Home Privileges to maintain documentation that the requirements for those privileges have been met. At a minimum, the documentation should include the following:

- The authorized signatures of management approving the employee's Take-Home Privileges.
- The position that the individual holds at the time of the Take-Home approval.
- A tracking list of the emergency call-ins for the respective employees to ensure that the quantifiable standard is being met to maintain the privilege.
- For senior management employees, the joint approval of the Mayor (or designee) and the Cabinet-level official (or independently elected official) overseeing the position.

Copies of this documentation should be submitted to the MDO for review to ensure that Take-Home Privilege requirements are being met.



***Procedure 6: MDO Oversight***

**Condition:** The MDO did not provide documentation to demonstrate that they are monitoring departmental compliance with the City's Vehicle Use and Assignment Policy.

**Recommendation:** The MDO should develop policies and procedures to ensure that it performs on-going monitoring of departmental compliance with the City's Vehicle Use and Assignment Policy. The preceding recommendations offer specific examples of such policies and procedures with respect to monitoring compliance with guidelines for vehicle usage, employee accidents, and Take-Home Privileges.

**APPENDIX**

**VEHICLE ASSIGNMENT AND USAGE  
COMPLIANCE WITH POLICIES AND PROCEDURES**

## APPENDIX

<b>VEHICLE ASSIGNMENT AND USAGE COMPLIANCE WITH POLICIES &amp; PROCEDURES</b>								
	Fleet Management	Streets Department	Health Department	Human Services	License & Inspections	Public Property	Water Department	Parks & Recreation
Employees instructed that vehicles should not be used for personal or private business.	YES	NO	NO	YES	NO	NO	YES	YES
Employees possessed a valid and current Pennsylvania drivers license.	YES	YES	YES	YES	YES	YES	YES	NO
Logs kept for employees detailing the reason the vehicle was needed, the intended destination and written permission for use.	NO	NO	NO	YES	NO	NO	YES	YES
Employee obtained prior written permission to use the vehicle outside the city.	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Employees required to sign acknowledging receipt of vehicle, and indicating the pick-up and return time.	NO	YES	NO	YES	NO	NO	NO	YES
Log maintained to track employees with two or more preventable accidents using a City vehicle, and required action then taken.	YES	YES	NO	YES	YES	NO	YES	NO
Documentation existed granting & approving Take-Home Privileges for selected employees.	NO	NO	N/A	N/A	NO	YES	YES	NO
Documentation existed showing that Take-Home Privileges were based upon the employee's position.	NO	NO	N/A	N/A	NO	YES	YES	NO
Documentation existed to demonstrate that employees with Take-Home Privileges met the quantifiable standards test of being called out at least 12 times per quarter or 48 times per year.	NO	NO	N/A	N/A	NO	NO	NO	YES
Documentation existed showing that selected senior management employees with Take-Home Privileges had the required joint approval.	NO	NO	N/A	N/A	NO	NO	NO	NO
NO - Condition or Procedure was not being followed								
YES - Condition or Procedure is being followed								
N/A - Not Applicable								