



**Snohomish County
Office of County Performance Auditor**

AUDIT FOLLOW UP: ER&R

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1 BACKGROUND

The final report of usage of ER&R¹ by the Sheriff's Office, Solid Waste, and Road Maintenance was published on June 1, 2006. The original audit determined that:

- Responsibility for ownership and management of rolling stock is largely allocated in the most cost efficient and safe manner.
- ER&R, Departments, and Offices should have access to accurate and complete vehicle data.
- An effective maintenance program ensures maximum equipment efficiency and economical rental rates.
- Rules generally govern fleet decisions effectively.

Color Coding

The Office of Performance Audit Services uses the following color system to show progress on audit recommendations:

	The audit recommendation has been addressed or the issue has been resolved by alternate means.
	Resolution of this audit recommendation has been initiated or clear plans are in place to resolve the issue.
	No progress has been made toward addressing the recommendation.

Recommendation Status

When recommendations are fully addressed, they are considered "closed." This means that unless the audit issue is part of the objectives of a further audit or project it will not be reviewed by the auditors again. "Open" recommendations will be evaluated yearly until closed.

2 OBJECTIVES, SCOPE, AND METHODOLOGY

The purpose of this audit follow up is to determine if the 13 recommendations made in the ER&R Audit have been addressed.

We obtained this information through:

- Written and verbal progress reports on audit recommendations from:
 - ER&R
 - Facilities Management
 - Sheriff's Office
- Interviews with:
 - ER&R
 - Facilities Management

¹ ER&R stands for Equipment Rental and Revolving; it is the division of the Public Works Department that manages Snohomish County's fleet.

- Sheriff's Office
- Solid Waste Division
- Roads Maintenance Division

3 FOLLOW UP

ER&R and the other departments impacted by this audit have addressed or partially addressed 11 of 13 audit recommendations.

Rec Number	Was the recommendation addressed?	Rec Number	Was the recommendation addressed?
1	Yes	8	Yes
2	Partial	9	Partial
3	Yes	10	Yes
4	Yes	11	Yes
5	Yes	12	Yes
6	Yes	13	Yes
7	Partial		

Open Recommendations

Three recommendations remain open.

Recommendation 7:

Documentation of efforts to identify the lowest prices for parts will be needed to close this recommendation.

Recommendations 2 and 9:

ER&R anticipates updating Executive Order 04-02B by the end of September. Planning has been initiated and a draft is out for comments.

3.1 Ownership and Management of Rolling Stock

3.1.1 Asset serial numbers—**Recommendation 1**

We recommend that the Sheriff's Office incorporate their two boats into ER&R's maintenance schedule and assign them asset serial numbers. The Sheriff's Office's two helicopters should also be entered into FMS² and given asset serial numbers so that all Snohomish County rolling stock is captured in one computer database.

The Sheriff's Office has assigned asset serial numbers to helicopters and boats and all vehicles have been added to the FMS system.

² FMS is the name of the data management system used by ER&R.

3.1.2 Economic Analysis—**Recommendation 2**

ER&R should develop an objective process including an economic analysis to determine whether it is more cost efficient for departments and offices to own a vehicle outright or to rent through ER&R. Department and office input should be sought in the development of this process. Documentation of this analysis should be available for all department and office owned vehicles.

Analysis completed by a consultant determined that the point at which it is more efficient for ER&R to own vehicles is a yearly mileage of 6,500. ER&R has not yet updated the Executive Order 04-02B to reflect this recommendation, but the planning is in place. ER&R plans to have the Policy updated in September 2007.

3.2 Data

3.2.1 Maintenance Scheduling—**Recommendation 3**

ER&R should continue to work to eliminate the use of parallel systems such as Access or Excel and utilize only FMS as a centralized vehicle master file for all maintenance.

Shop supervisors are using FMS for maintenance scheduling, but will continue to rely on other database programs for quality control for approximately 6 months until conversion to FMS is complete.

3.2.2 Equipment Inventory—**Recommendation 4**

To ensure more accurate inventory monitoring, the County should work toward eliminating multiple equipment inventories. ER&R should work with the Department of Information Services to allow the Solid Waste and Road Maintenance Divisions and the Sheriff's Office limited access to FMS. In the interim, Sheriff's Office inventory staff should meet monthly with ER&R staff to compare inventory lists and ensure accuracy. The Sheriff's Office comparison should include Search and Rescue and Drug Task Force inventory.

Due to concerns about the integrity of data, no department has access to FMS for the purposes of data entry. The tradeoff for this limited access to FMS is decreased efficiency.

The Sheriff's Office, Solid Waste Division and Roads Division are using the FMS system to track inventory. ER&R has access to the Sheriff's Office Microsoft Access database and inputs and reconciles the inventory information in FMS on a quarterly basis. ER&R provides the reconciled report to the Sheriff's Office, and the Sheriff's Office can access the reconciled information in FMS. A redundant inventory tracking system is also still used by Solid Waste due to

specific department reporting needs that cannot be met by FMS. Solid Waste provides inventory related information quarterly to ER&R and the data are entered into FMS . Solid Waste then receives reports of the reconciled information.

3.3 Maintenance

3.3.1 Vehicle Maintenance Tracking—**Recommendation 5**

ER&R should standardize a procedure for contacting responsible parties about bringing in vehicles for preventive maintenance. This will help ensure that all necessary service is performed in a timely fashion.

All shop supervisors notify departments and offices via e-mail when vehicles need to be brought to ER&R for preventative maintenance.

3.3.2 Vendor Pricing—**Recommendation 6**

ER&R should ensure that their recently developed policy on vendor pricing is implemented.

Storekeepers report that the *Policy Statements and Procedures for Purchasing and Inventory Control Manual* is being followed.

3.3.3 Repair and Pricing Analysis—**Recommendation 7**

ER&R storekeepers should conduct and document regularly scheduled analyses of certain contract vs. in-house repairs as well as survey outside vendors to ensure that the prices the County is paying for parts and services are the most cost effective.

An annual comparison of ER&R shop rates to those of outside shops is conducted during the annual budget process. Analysis of service costs are conducted on a continuous basis through the bidding process. Bids are documented and records are maintained. Parts pricing is analyzed as needed, and shopkeepers do not keep consistent records of their efforts to compare vendor prices.

We recommend that shopkeepers continue their efforts to identify the lowest prices for parts, and begin documenting the results of these efforts.

3.3.4 Fleet Management—**Recommendation 8**

The Fleet Manager should consider hiring a dedicated warranty/recall coordinator to ensure that all parts and service warranties are being recovered and recalls are being heeded.

A warranty/recall coordinator has been hired, and will start in August 2007.

3.4 Rules

3.4.1 Department Policies and Procedures—**Recommendation 9**

The Executive should ensure that planned revisions of Executive Order 04-02B eliminate references to the creation of policies and procedures by individual departments. The Executive and the Sheriff's Office agreed that Executive Order does not apply to separately elected officials who have their own policy. References directing "offices" should be removed.

EO 04-02B has not been updated, but planning has been initiated. ER&R reports that updates to Executive Order 04-02B will be complete by September 2007.

3.4.2 Sheriff's Office Policies and Procedures—**Recommendation 10**

The Sheriff's Office should expand their policies and procedures to include at a minimum:

- *Sheriff's Office owned vehicles*
- *Donated vehicles*
- *Rerenters*
- *Inventory of vehicles*
- *Boats and helicopter(s)*

The Sheriff's Office Policies and Procedure Manual now includes policies for Sheriff's Office owned vehicles, donated vehicles, rerenters and inventory. Separate policy documents for helicopters and boats existed at the time of the audit, but were not provided until the follow-up audit.

3.4.3 Property Management—**Recommendation 11**

In the future, Property Management should receive the titles for all items purchased by departments and offices, except for items owned by ER&R.

Property Management has requested and received titles to department and office owned vehicles. New titles are sent directly to Property Management when vehicles are purchased by county departments and offices.

3.4.4 Vehicle Titling—**Recommendation 12**

All newly purchased department/office owned vehicles should be titled to “Snohomish County,” and registered to the individual department/office, except vehicles titled to Snohomish County Fleet Management.

Property Management has directed all departments to title vehicles to ‘Snohomish County.’ Facilities reports that this will not be an issue in the future because they have asked Purchasing to instruct the State to title new non-ER&R vehicles correctly and to send the title directly to Property Management.

3.4.5 Personal Property Inventory—**Recommendation 13**

Facilities Management should continue to ensure the accuracy of the yearly Personal Property Inventory

Facilities Management works with departments to ensure the accuracy of the yearly Personal Property Inventory. Visual inspections are conducted by Property Management staff to confirm Department inventory lists and care is taken to ensure that all vehicles are accounted for.