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To: Alan Gurien
Vice President for Finance, Nassau Community College

From: Aline Khatchadourian

Date: May 27, 2009

Subject: Limited Audit of Nassau Community College's Vehicle Fleet

Audit Scope, Objective and Methodology

Our office conducted a limited audit of the management of the fleet of vehicles and motorized equipment owned by Nassau Community College (NCC) and managed by the Department of Facilities Operations and Maintenance (Physical Plant) of NCC. The period covered by our audit was January 1, 2007 through the completion of our field work on November 26, 2008.

At the time of our audit, the fleet consisted of 65 vehicles, comprised of 10 passenger cars, 27 pick-up trucks and vans, 10 Public Safety cars, 12 pieces of heavy equipment, four electric cars, one golf cart, and one boat. The objective of the review was to evaluate the controls associated with the repair, maintenance and fueling of the vehicles; procedures for accident reporting; controls over the automotive parts and supplies inventory; and control of the inventory of fleet vehicles.

Background

According to Physical Plant, most of the vehicles in the NCC fleet are not driven off campus and are not assigned to specific individuals. Only two vehicles are assigned as take-home vehicles, the President's vehicle and the Chief of Public Safety's vehicle. NCC has one fuel site for all NCC vehicles, which is located in the Physical Plant garage area. The fuel pumps are controlled by the "Gasboy" automated fueling system. In order

to use a fuel pump, Gasboy requires the insertion of two fuel cards – one that identifies the vehicle (“vehicle card”) and one that identifies the attendant in Physical Plant fueling the vehicle (“driver card”). Once the driver and vehicle cards are inserted to activate the pump, the system requires the user to input an odometer reading and then the system records the amount of fuel pumped, along with the date and time of the fueling. There is one maintenance card, which, according to Physical Plant, is supposed to be used for fueling equipment like lawn mowers and golf carts, but can be used to fuel passenger vehicles; the maintenance card is also maintained by the Physical Plant.

There are seven driver cards at NCC; all driver cards, with the exception of the one Public Safety Department (Public Safety) driver fuel card (see *Audit Finding 3, Improper Use of Public Safety Fuel Card*), are maintained by Physical Plant employees who are authorized to fuel NCC vehicles. The driver cards are not distributed to drivers, as is the case with Nassau County fleet vehicles. When fueling a vehicle at the fuel site, Gasboy does not validate the odometer reading and does not prohibit fueling of a vehicle with a vehicle-fueling card assigned to a different vehicle. Both Physical Plant and Public Safety are 24/7 operations, therefore vehicle fueling may occur at any hour.

Nassau County’s fleet vehicles are managed by the Department of Public Works (DPW). DPW, which also uses the Gasboy system for fueling its fleet, has plans to switch to a new system called Maximus Fuel Focus; this system has additional functionality, such as, wireless capability to identify the vehicle being fueled, and automatically recording the odometer reading. This additional functionality should address the deficiencies of the Gasboy system. NCC should investigate the feasibility of updating its system as well.

Audit Finding (1):

Inadequate Internal Controls Surrounding Fueling of NCC Vehicles

NCC does not have any written policies and procedures regarding the management and fueling of NCC vehicles. NCC employees do not review reports detailing fuel usage, as a result, instances of excessive fueling of vehicles were not investigated. In addition, internal controls over the monitoring of fueling are inadequate.

A Gasboy Fuel Transaction Report details all fueling by vehicle card, for a selected time period. The report does not identify the actual vehicle fueled.

There are no written policies or procedures for the review of the Fuel Transaction Report. During the audit period, there was no indication of supervisory review of these reports; according to the shop supervisor, he reviews these reports only for instances where an error code indicated that the Physical Plant staff personnel were locked-out of a pump and were not able to fuel the vehicle. Physical Plant management does not review the report for excessive fueling and the reports are not forwarded to the departments where the vehicles are assigned for their further review.

We examined a Gasboy Fuel Transaction Report for the six-month period from January 1, 2008 to June 30, 2008. We identified 18 vehicles (28% of the fleet) that appeared to have unusual fueling activities, such as, fueling more than once per day with questionable amounts of fuel pumped (based on the vehicle’s fuel capacity). The vehicles were

identified based upon the vehicle-fueling cards assigned to them. Of the 18 vehicles with transactions selected, six vehicles had excessive fueling that was unexplained (see *Table 1* below).

Table 1

Excessive Fueling Noted				
NCC Vehicle No.	Date	Time (in 24 hours)	No. of Gallons	Vehicle Fuel Tank Capacity (gallons)
P-5	1/14/08	13:52	20.0	30
P-5	1/14/08	13:56	20.0	30
P-3	1/31/08	0:47	12.9	18
P-3	1/31/08	13:19	15.0	18
P-35	2/20/08	7:37	25.0	26
P-35	2/20/08	7:42	15.9	26
P-1	2/21/08	8:14	15.0	18
P-1	2/21/08	13:36	14.3	18
P-14	2/24/08	5:19	33.1	35
P-14	2/24/08	6:26	21.0	35
P-3	2/28/08	0:08	13.9	18
P-3	2/28/08	0:53	15.0	18
P-50	4/1/08	13:21	13.1	17
P-50	4/1/08	23:42	11.6	17

Source: Gasboy Fuel Transaction Report for the period 1/1/08-6/30/08

As noted in the table above, some instances of fueling occurred within minutes of each other (vehicles P-5 and P-35). The majority of exceptions noted above indicate that the amount of fuel pumped for that day exceeded the vehicle's fuel tank capacity.

Physical Plant could not provide an explanation for these instances of excessive fueling. As a result, we could not reasonably ensure that the vehicles indicated in the Fuel Report were the vehicles that were actually fueled, or that all gasoline pumped at NCC was properly dispensed to NCC fleet.

Due to Gasboy's inability to identify the actual vehicle being fueled and the lack of policies and procedures for fueling NCC vehicles and for reviewing fueling reports, the risk is increased that unauthorized fueling of vehicles, including fueling private vehicles or other non-NCC vehicles, will occur and not be detected.

Audit Recommendations:

- a) Written policies and procedures should be established:
 - i. for the management and fueling of NCC fleet vehicles;
 - ii. that require Physical Plant supervisors to periodically review Fuel Transaction Reports and investigate any fueling anomalies with department supervisors; and

- iii. that require the Gasboy Fuel Transaction Reports be distributed to other departments for their review.
- b) The excessive usage noted above should be investigated.

Audit Finding (2):

Public Safety Vehicles Fueling Anomalies

Our audit noted discrepancies between the actual amounts fueled per the Gasboy reports and the amounts fueled according to the manual records maintained by Public Safety.

The Public Safety Log Book (Log Book) is maintained by NCC Public Safety to manually record all daily activities that occur on campus that require Public Safety involvement. The Log Book also records the quantity of fuel pumped, the vehicle number, time, date, and odometer reading for every instance when a Public Safety vehicle is fueled, as well as the daily driver assignment of the vehicle. The fueling data that is recorded in the Log Book is based on what is called in to Public Safety by its officers.

We examined the Gasboy fueling records for the period January 1, 2008 to June 30, 2008 for all fueling activity by Public Safety and reviewed the Log Book for the same period.

We tested 47 instances of fueling (totaling 455.9 gallons) of Public Safety vehicles as recorded in the Gasboy report, compared them to the entries in the Log Book. For these 47 instances, the total quantity of fuel pumped, as listed in the Log Book, was only 143.5 gallons, representing a difference of 312.4 gallons from what was recorded in the Gasboy report. Based upon our comparison of the Gasboy fueling records to the Log Book, this difference was due, in part, to instances where Public Safety officers called in fueling transactions that were less than what the Gasboy report indicated. Of the 47 instances, we noted:

- 27 of these 47 instances, or 57% (totaling 288 gallons) were not recorded in the Log Book including:
 - on 3/23/08, 3.4 gallons of fuel was pumped into Vehicle P-3 at 7:36 AM; three minutes later at 7:39 AM, an additional 14.2 gallons was pumped into the same vehicle but the transaction at 7:39 AM was not recorded on Public Safety Log Book;
 - on 1/26/08, 5.1 gallons of fuel was pumped into Vehicle P-48 at 12:52 AM. This transaction was recorded on Public Safety Log Book. An additional 10 gallons was pumped at 12:57 AM but this transaction was not logged on Public Safety Log Book.
- 115.8 (of the 288) gallons were pumped into the take-home vehicle of the Chief of Public Safety, including two transactions that occurred on 1/14/08 at 1:52 PM and 1:56 PM for 20 gallons each (see Audit Finding 1, *Excessive Fueling of Vehicles Not Monitored*).
- We found four instances where the odometer reading listed in the Gasboy report was not consistent with the odometer reading that was recorded in the Log Book.

The underreporting of fueling and inaccurate odometer readings defeats the purpose of the Public Safety Log Book, which is to maintain a record of the quantity of fuel pumped by Public Safety and odometer readings. The Public Safety Log Book is not compared to any Gasboy reports in order to verify its accuracy.

Audit Recommendation:

- a.) Public Safety management should ensure that the Log Book accurately records all instances of fueling of Public Safety vehicles by periodically comparing the Log Book to Gasboy records, or simply rely on the Gasboy records.
- b.) NCC should investigate any occurrences where the Log Book does not include fueling listed in the Gasboy records, and take appropriate action as necessary.

Audit Finding (3):

Improper Use of Public Safety Driver Fuel Card

Use of the Public Safety department's driver fuel card, in a manner inconsistent with the department's practices, may result in unauthorized fueling of vehicles.

The Public Safety department maintains one driver fuel card to be used only in emergencies, on weekends, or holidays when Physical Plant personnel are not on campus to fuel vehicles. We reviewed a Gasboy Fuel Transaction Report for the period January 1, 2008 to June 30, 2008 and determined that there were four separate occasions where the Public Safety driver card was used during normal business hours, when a Physical Plant attendant should be on hand to perform this function. In addition, three of the four fueling transactions were not recorded in the Public Safety Log Book (see Audit Finding 2 – *Public Safety Vehicles Fueling Anomalies*); the fourth transaction was recorded in the Log Book, however the driver assigned to the vehicle was not documented.

These usages resulted from the fuel pump being unlocked and the Public Safety officers having access to the driver and vehicle cards.

Audit Recommendation:

Management of Public Safety should ensure that the driver fuel card is used only on weekends and holidays, in accordance with policy. Physical Plant should ensure the fueling pumps are locked when not in use.

Audit Finding (4):

Poor Security of Fueling Cards and Fueling Site

We observed inadequate security over the fuel cards and fuel pumps.

Physical Plant practices require that vehicle-fueling cards, when not in use, be maintained by Physical Plant in a locked metal box in their office. In addition, pumps are to be padlocked when not in use. Driver cards are kept in the possession of six Physical Plant employees who are authorized to fuel NCC vehicles.

We visited the fuel site on two separate occasions while it was not in use and observed that the padlocks for the fuel pumps were lying on the floor. In addition, the metal box,

used to secure the vehicle fueling cards, was open and lying on the top of the pumps. Although a camera monitors the fuel site, the video is not reviewed by anyone.

Even though the fueling of vehicles requires two fuel cards, inadequate security surrounding the fuel site, the fueling cards, and unlocked pumps may result in unauthorized use of the fueling pumps.

Audit Recommendation:

- a) Physical Plant should take measures to ensure compliance with its policy by:
 - i. instituting a procedure to verify that vehicle-fueling cards are kept in a locked metal box in the Physical Plant office; and
 - ii. ensuring that the padlocks for the pumps are locked when not in use.
- b) Videos from cameras at the fuel site should be periodically reviewed for unauthorized use, especially if unidentified or unusual fueling patterns are noted during a review of fueling reports.

Audit Finding (5):

Weaknesses in the Work Order and Parts and Supplies Inventory System

We noted that weaknesses in the Physical Plant's repair work order process resulted in an inaccurate inventory of parts and supplies being maintained.

NCC uses Total Maintenance Assistance (TMA), which is a software package installed in 2006, to manage and track all maintenance performed on NCC's buildings, grounds, and fleet of vehicles. TMA includes the work order and inventory maintenance systems. Even though work orders issued by the Work Order Center of Physical Plant were generated in TMA, the parts and supplies issued for these work orders were not processed through TMA until August 2008.

Since August 2008, the process requires that work orders be presented to warehouse personnel by Physical Plant personnel. When parts are issued from the warehouse, a description of the part, quantity, stock number, work order number and the signature of the person who issued the parts, are supposed to be recorded on the Warehouse Material Control Log (Control Log). Parts listed on the Control Log are supposed to be entered onto the work orders and into TMA by the warehouse personnel.

We tested 19 work orders, out of 335, that were issued between January 1, 2007 and September 12, 2008. We found that parts and supplies used were not listed on 18 open work orders and that after the repairs were completed and the work orders were closed, the parts and supplies used were still not listed on the closed work orders. Work orders are not reviewed by warehouse personnel to ensure that the correct parts are requested for the repair performed.

We tested the Control Log, which lists parts issued on work orders, and found that not all items listed on work orders were on the Control Log. We found that eight of 30 items listed on various work orders were not listed on the Control Log; in addition, Control Log sheets for five of the 39 days we requested were not available.

We examined 20 work orders from the month of September 2008 and identified the following exceptions:

- eight instances where parts were issued without being recorded on the Control Log;
- parts listed on two of the work orders did not agree with the parts listed on the Control Log;
- the Control Log listed parts issued for five work orders where the parts were not listed on the work orders themselves;
- five of the 20 work orders opened in September were still open as of November 21;
- seven of the 15 completed work orders did not list the cost of the parts used; and
- all 15 completed work orders listed incorrect amounts for the cost of labor used on the repairs (labor cost was entered as \$1/hour).

Due to the inaccuracies noted in the work orders and the Control Log, and the poor management of the maintenance and the parts and supplies inventory systems of NCC, inventory balances and maintenance records within TMA may have been inaccurately reported. Consequently, NCC assets may not have been adequately safeguarded and unneeded parts and supplies may have been ordered.

Audit Recommendations:

NCC should implement procedures to ensure that:

- a) work orders list all parts and supplies issued from the warehouse;
- b) supervisors review work orders to make certain that parts issued are necessary for the work completed;
- c) work orders include the cost of both the parts used and the cost of the labor hours for the repair;
- d) warehouse management and Physical Plant personnel ensure that the Control Log and the work orders are complete and accurately list all parts issued from the warehouse; and
- e) a physical inventory of the parts and supplies be conducted periodically, any discrepancies are investigated, and TMA inventories are adjusted to accurately reflect the parts and supplies inventory on hand.

Audit Finding (6):

NCC Vehicle Reported Missing and Driver Was Not Disciplined

NCC internal controls surrounding the assignment of on-campus vehicles were not adequate as an employee took a vehicle home, in violation of NCC's vehicle usage policy. In addition, the employee was not disciplined for this violation.

NCC controls the distribution of its fleet by use of the vehicle keys. When a vehicle is requested, the employee must complete a Vehicle and Equipment Record Checklist (Checklist), and the Vehicle and Equipment Log Book before the vehicle keys are dispensed. At the end of the workday, the employee returns the vehicle keys along with the Checklist to the Physical Plant, and the vehicle is logged in to the Vehicle and Equipment Log Book.

During a review of accident reports filed with Public Safety during 2007 and 2008, we discovered that vehicle P-53 was the subject of a Missing or Stolen Property Report.

On January 3, 2008, the shop supervisor at the Physical Plant was informed by the mechanics at the garage that vehicle P-53 had been missing for several days. According to the shop supervisor, an unsuccessful search for the vehicle was made on campus and, subsequently, both a Missing or Stolen Property Report and an Incident Report were filed with the NCC Public Safety Department. The Missing or Stolen Property Report stated that according to the HVAC supervisor, vehicle P-53 was usually assigned to an employee of the HVAC Department and that employee had signed into work for the morning shift on December 25, 2007. The Missing or Stolen Property Report also indicated that the vehicle was recovered at the same employee's home, by the Nassau County Police Department. According to NCC's vehicle use policy,¹ NCC vehicles are for official use only; employees are not authorized to use the vehicles for personal business. The Vehicle and Equipment Log Book, maintained by the Shop Supervisor, did not contain an entry for the assignment of the vehicle on December 25, 2007.

The vehicle was not a take-home vehicle and the employee was not authorized to take the vehicle home, a violation of NCC's Vehicle Use Policy. The Vehicle and Equipment Log Book should have indicated to whom the vehicle was assigned. The employee should have returned the keys to the vehicle at the end of the day. The employee was not disciplined because NCC claimed that they could not verify that the employee had taken the car, even though the vehicle was recovered at the employee's home address. The employee should have been disciplined by NCC at the time of the incident.

As a result of these weakness in controls surrounding the issuance of NCC fleet vehicles, we were unable to determine whether there were other instances of unauthorized use of NCC vehicles.

Audit Recommendations:

- a) Physical Plant should ensure that all vehicle keys are accounted for at the end of the workday.

¹ Policy for Use of College Vehicles, originated 4/18/95, revised 6/27/08, effective 7/1/08.

- b) Personnel should be instructed that vehicles are for on-campus use only and not to be taken home.
- c) NCC should take immediate action to discipline any employee who does not comply with its fleet management vehicle policy.

Audit Finding (7):

Lack of Written Policies and Procedures for Vehicle Repairs & Maintenance

A Policies and Procedures Manual does not exist in Physical Plant and, as such, increases the risk of the inefficient use of NCC resources and the safe operation of the fleet.

A Policies and Procedures Manual for the day-to-day operations of Physical Plant as it relates to the repair and maintenance of the NCC fleet, New York State inspection of vehicles, preventive maintenance scheduling, work order preparation, monitoring vehicle warranties, and outsourcing repairs, is important in the event of turnover, long-term illness, or retirement of employees, especially where a small number of personnel are assigned to such operations. A Policies and Procedures Manual is also useful in the training of new employees.

Audit Recommendation:

Management of Physical Plant should develop a manual that clearly documents policies and procedures for the repair, maintenance, and inspection of vehicles and the work order process.

Audit Finding (8):

Lack of Policy Regarding Necessary Driver Qualifications for Driving an NCC Vehicle

Currently, there is no policy regarding driver qualifications for operators of NCC vehicles (other than possessing a New York State driver's license), whether the vehicles are driven off or on campus.

While NCC has no driver qualification policy, the Nassau County Office of Management and Budget's Risk Management department (Risk Management) mandates that drivers of any County fleet vehicle² meet the following operator qualifications they³:

- o must be a minimum of 21 years of age and have held a valid state driver's license for a minimum of two years;
- o must hold a valid and unrestricted Driver License from the State of New York;

² NCC fleet vehicles are not included in County fleet.

³ Motor Vehicle Risk Management Policy and Procedure, Part II, issued by OMB-Risk Management, effective 10/2006.

- may not have a conviction for DWI or Driving While Ability is Impaired (DWAI) in the past five years;
- may not have more than nine motor vehicle points on their New York State Motor Vehicle License in the past 18 months;
- must have completed a Defensive Driving course within the past three years; and
- must hold a valid Nassau County Motor Vehicle Operator's Card.

Risk Management monitors these driver qualifications through use of the New York State Motor Vehicle Driver License Event Notification System (LENS). This system notifies Risk Management of any changes to the status of the driver's license or driving record.

According to the Director of Physical Plant, Physical Plant requests copies of drivers' licenses when vehicles are requested. In some cases, they are provided by the drivers, and in some cases, they are not provided. We have been informed by Physical Plant management that they are currently working with Human Resources and Risk Management on developing a comprehensive vehicle usage, driver qualifications, and accident reporting policy.

Audit Recommendations:

NCC should consider implementing Risk Management's driver qualification policy or the development of a similar policy for verifying driver qualifications for operating NCC vehicles as soon as possible. Until such time as a policy is implemented, NCC should, at a minimum, require proof of a valid New York State driver's license. Further, in order to ensure compliance with the policy, management should consider use of the LENS system. This system will notify NCC of the current status and driving record of any operator with a New York State driver's license and any change in their status or driving record.

Audit Finding (9):

Improper Identification of NCC Vehicles

We found NCC vehicles that did not have the proper vehicle identifiers; some were missing the assigned numbers while others did not have the required decal or sticker.

NCC vehicles are identified by an NCC-assigned number starting with the letter "P", which is displayed on the outside of the vehicle, and a decal or sticker with the Nassau County Fixed Asset Accounting and Control System (FAACS) number used by the County to control fixed assets.

We tested 12 of the 63 NCC fleet vehicles that were listed on the inventory report provided to us by Physical Plant, for the proper identifying numbers. Four of the 12 were not labeled with the NCC-assigned number; seven of the 12 did not have a decal/sticker with the FAACS number; and one vehicle (a 1988 backhoe) was missing a Vehicle Identification Number (VIN). We verified that all 12 vehicles were listed in the FAACS inventory.

Without a current inventory list and proper identification affixed to each vehicle, NCC cannot ensure that its vehicles are safeguarded and accounted for, in accordance with NCC and County policies. .

Audit Recommendations:

The Physical Plant should complete an annual physical inventory of all NCC vehicles and affix the proper identifying numbers on any vehicles without them. On a periodic basis, all NCC vehicles should be examined to ensure continued compliance.

Audit Finding (10):

NCC Inventory List Did Not Reconcile to County FAACS Report

All fixed assets, including NCC fleet vehicles, are supposed to be recorded in the County's FAACS, in order to properly report fixed assets in the County. Our review noted that not all assets in FAACS were included in the inventory list maintained by Physical Plant.

Physical Plant provided the auditors with a manual inventory list, as of September 15, 2008, reporting 63 NCC vehicles. However, as part of our review of new vehicle purchases, we identified two vehicles that were not included in the inventory list, one electric car and one golf cart, both purchased in June 2008. The shop supervisor of Physical Plant maintains the inventory list; he was aware of the additional purchases.

A review of the two reports revealed that there were 8 more vehicles listed in FAACS than were documented in the NCC inventory list. We attempted to reconcile the inventories to identify the reason for the discrepancy. We performed a "search" using VIN numbers to determine whether the vehicle was recorded in both. Our test revealed the following exceptions:

- of the 65 vehicles in NCC's inventory, 51 were recorded in FAACS;
- the VIN number for seven vehicles in NCC's inventory was not found in FAACS inventory;
- there were seven vehicles in the NCC inventory without a VIN number;
- there were two vehicles in FAACS without a VIN number; and
- the VIN Numbers for 20 vehicles in FAACS were not found in NCC's inventory list.

As a result of these discrepancies, we were not able to reconcile the inventory reports.

Audit Recommendation:

NCC should periodically reconcile their vehicle inventory to FAACS to ensure that what is reported by the County as NCC vehicles is updated and accurate.

The matters covered in this report have been discussed with the officials of NCC during the course of this audit, as well as at an exit conference held on March 31, 2009. On March 17, 2009, our Office submitted this report in draft for NCC's comments. After our exit conference with NCC officials, we provided NCC with back-up documentation requested at the meeting, and submitted a revised draft report to NCC on April 8, 2009. NCC's comments, received on April 24, 2009, are included as an appendix to this report.

cc: Sean Fanelli, President, Nassau Community College
Thomas W. Stokes, Deputy County Executive for Management, Budget, and Finance
Masoom Ali, Assistant Vice President, Facilities Operations & Maintenance, Nassau Community College

APPENDIX

Audit Finding (1):

Inadequate Internal Controls Surrounding Fueling of NCC Vehicles

College Response (1)

- a) The College will review and document its policies and procedures related to the management and fueling of NCC vehicles. The procedures will include Physical Plant supervisors periodically reviewing the Fuel Transaction Report and investigation of any fueling anomalies. Monthly reports will be produced and forwarded to Public Safety for their review.

- b) As noted in the background of the audit report, the Gasboy system does not possess the capability to identify the vehicle being fueled. NCC agrees with the Comptroller's statement that "NCC should investigate the feasibility of updating its system". NCC is in the process of procuring an upgrade to the Gasboy system that will automatically identify the vehicle that is refueling by identification number. Each NCC fleet vehicle will have a unique electronic identification tag which will allow Gasboy to record the fueling data (time/date/odometer reading/amount of fuel dispensed) and will preclude fueling of any vehicle that does not have this identification.

It should be noted that although the Table 1 in the report cites six vehicles with 14 "unexplained" transactions; during the period of audit review (January 1, 2008 to June 30, 2008) approximately 1,700 fueling transactions occurred at NCC during that time. Moreover, although the report suggests that the College's current policies and procedures increase the risk that the unauthorized fueling of vehicles, including fueling private vehicles or other non-NCC vehicles, will occur and not be detected, no evidence has been supplied to College establishing that the fueling of non-NCC vehicles has, in fact, occurred. We believe that in order to expedite fueling, the same card was used to fuel a second college vehicle. This was confirmed when the follow-up review identified an odometer reading for the second vehicle corresponding to a different college vehicle. Supervisors have been reminded of the need to comply with the proper fueling procedures.

Auditor's Follow-up Response:

We concur with the corrective actions taken by NCC. NCC officials should ensure that Fuel Transaction Reports are reviewed by Physical Plant supervisors and Public Safety, and that fueling anomalies are investigated on a timely basis. We reiterate our recommendation that NCC investigate the excessive usages noted in the audit report.

APPENDIX

Audit Finding (2):

Public Safety Vehicles Fueling Anomalies

College's Response (2)

The Public Safety Log Book is maintained by NCC Public Safety to manually record all daily activities that occur on campus that require Public Safety involvement. The logging of fueling activities is a "carry-over" practice from prior to the implementation of the Gasboy system. The Public Safety Log Book should not be used or considered the system of record or control for the fueling of Public Safety vehicles. The Physical Plant will be providing monthly Gasboy reports to Public Safety which will be used to document and evidence fueling activity. The upgrade to the Gasboy system that the College is instituting will provide additional information to Public Safety which will enhance their oversight of their vehicle fueling activities.

Auditor's Follow-up Response:

We concur with the corrective actions taken by NCC. Physical Plant should ensure that Fuel Transaction Reports are provided to Public Safety for its review and investigation into any fueling anomalies.

Audit Finding (3):

Improper Use of Public Safety Driver Fuel Card

College's Response (3)

Although it is common practice for the Physical Plant personnel to fuel vehicles during normal business hours, there are times, for legitimate reasons, when Physical Plant personnel may not be available to fuel vehicles. During those times Public Safety vehicles must remain on patrol and authorized Public Safety personnel will dispense fuel. The fueling activity is completely and accurately reported in the automated Gasboy system and will be enhanced by the Gasboy system upgrade that the College is instituting. It would not be cost effective to have Physical Plant personnel available at all times to dispense fuel. It should also be noted, as per the audit comment, this activity occurs rarely; only 4 times over a 6 month period.

During normal business hours the padlocks are not affixed to the fueling pumps. Access to the fuel pumps is completely controlled via the automated two card system – Gasboy.

Auditor's Follow-up Response:

We reiterate our recommendation that the fuel pumps be locked when not in use. In addition, we recommend that either NCC adhere to its policy of using the Public Safety Driver Card only on weekends, or if that policy is not practical, it should amend the policy.

APPENDIX

Audit Finding (4):

Poor Security of Fueling Cards and Fueling Site

College's Response (4)

- a) Although the College agrees that security of the fueling activity is critical, the dispensing of fuel is specifically controlled by the use of the automated, two card system – Gasboy. The use of the padlock is a “carry-over” practice from prior to the implementation of Gasboy, and does nothing to enhance security. Physical Plant will take measures to properly secure the fueling cards. The upgrade to the Gasboy system will eliminate the need for vehicle fueling cards as the system will automatically identify each vehicle via the electronic identification device.

- b) The video will be reviewed on an as-needed basis to investigate unexplained/unusual fueling activities.

Auditor's Follow-up Response:

NCC's response does not specifically address our concern that the vehicle fueling cards were not properly secured. The use of padlocks on the fuel pumps provides a level of security against the possibility that an individual, who is in possession of both vehicle and fuel cards may have unauthorized access to fuel.

Until the Gasboy system is upgraded, Physical Plant should comply with its policy regarding securing the vehicle fuel cards in a locked box and locking the fuel pumps when not in use. We concur with NCC's corrective action of reviewing the security camera videos as needed.

Audit Finding (5):

Weaknesses in the Work Order and Parts and Supplies Inventory System

College's Response (5)

The College concurs with findings and recommendations that parts issuance and inventory should be recorded and reviewed by supervisory personnel. NCC will complete its implementation of TMA which was fielded to the warehouse in August 2008. NCC does not intend to utilize the TMA system to track labor cost at this time. When TMA is fully implemented we will be able to scan the work orders, parts and employee ID's into the automated system. All parts issued will be accounted for and inventory will be adjusted.

Auditor's Follow-up Response:

NCC should ensure that the TMA system implementation includes provision for the internal control over parts and supplies included in our recommendations, including: cost and issuance of parts and supplies, and supervisory review. We reiterate our recommendations that a physical inventory be taken periodically, and that the Control Log accurately and completely list all parts and supplies issued.

APPENDIX

Audit Finding (6):

NCC Vehicle Reported Missing and Driver Was Not Disciplined

College's Response (6)

- a) Although an informal process exists to account for all vehicle keys, a formal process will be implemented to ensure that all keys are accounted for daily.
- b) NCC has a written policy that addresses use of fleet vehicles which explicitly states that vehicles may only leave campus on official business and that violation of this policy may result in disciplinary procedures.
- c) The incident referred to above was properly reported to NCC Public Safety and the Nassau County Police Department. The Police Department's investigation was inconclusive and no action was taken. The incident was reviewed with NCC Human Resources, and it was determined that no disciplinary action could be taken consistent with the appropriate required standards of proof and due process.

Auditor's Follow-up Response:

We concur with the corrective actions taken by NCC with regard to accounting for the vehicle keys daily, but reiterate our recommendations that employees who violate the vehicle policy be immediately disciplined.

Audit Finding (7):

Lack of Written Policies and Procedures for Vehicle Repairs & Maintenance

College's Response (7)

The College concurs with finding and recommendation. NCC will develop a manual that documents policies and procedures for the repair, maintenance, and inspection of vehicles and the work order process.

Auditor's Follow-up Response:

We concur with the corrective actions taken by the College.

Audit Finding (8):

Lack of Policy Regarding Necessary Driver Qualifications for Driving an NCC Vehicle

College's Response (8)

As noted in our entrance conference with the auditors, the College is actively pursuing the use of the LENS system. Meetings have been held with the County (prior to the audit) to develop a strategy to enhance its driver qualification policy. Several factors must be considered including union contracts. NCC will continue to move forward with this project.

APPENDIX

Auditor's Follow-up Response:

We reiterate our recommendation that until a more formal policy and procedure for reviewing driver qualifications is developed, at a minimum NCC should require that a valid New York State driver's license be produced before providing a vehicle.

Audit Finding (9):

Improper Identification of NCC Vehicles

College's Response (9)

NCC personnel inspected the vehicles cited and found that FAACS stickers were, in fact, present on all vehicles, but that in the case of two of the oldest vehicles, the FAACS numbers were worn off the stickers. NCC personnel were able to locate the VIN# on the one vehicle (Backhoe) that was cited as missing this identification. NCC will ensure that all vehicles have their "P" numbers clearly visible.

Auditor's Follow-up Response:

We reiterate our recommendation that, on a periodic basis, NCC take a physical inventory of all vehicles, at which time it should also examine the vehicles for proper markings and inventory tags. We concur with the corrective action taken by NCC, to have the NCC-assigned number clearly visible on the vehicle.

Audit Finding (10):

NCC Inventory List Did Not Reconcile to County FAACS Report

College's Response (10)

NCC will be performing annual reconciliations between the vehicle inventory and FAACS.

Auditor's Follow-up Response:

We concur with the corrective action taken by the College.