



Take-Home Vehicle Assessment

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CARSON CITY

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Executive Summary

Eide Bailly LLP (referred to as "we," "our," or "us") performed a comprehensive review of Carson City's ("City") take-home vehicles usage specifically within the Fire, Sheriff, and Public Works departments. This engagement was initiated in response to concerns surrounding the legitimacy of vehicle assignments and designed to evaluate compliance with the City's Vehicle Use Policy. The engagement also sought to identify inefficiencies and areas of potential misuse or non-compliance while providing actionable recommendations to enhance accountability, cost effectiveness, and governance aligned with best practices.

Overall, this engagement revealed several positives within the existing framework, including the City's commitment to assessing and reallocating vehicle assignments based on justified operational needs. Notably, recent efforts led to the discontinuation of assignments in Public Works and Sheriff's departments, demonstrating a proactive stance toward ensuring vehicle use aligns with identifiable operational demands. Additionally, the Fire Department showed willingness to re-evaluate vehicle assignments based on usage patterns, which indicates ongoing commitment to responsible stewardship.

However, the assessment also identified several areas for improvement. Specifically, there remains a lack of comprehensive oversight and consistency in adhering to the Vehicle Use Policy across departments. Our review revealed deviations in monitoring usage, and instances of non-compliance that could pose risks to fiscal accountability and operational efficiency. We identified five (5) findings with actionable recommendations to enhance the City's existing take-home vehicle policy, improve compliance, and mitigate risks associated with misuse or inefficiency. Addressing these findings is important for operational effectiveness and ensuring that all employees utilizing take-home vehicles do so in full alignment with the City's guidelines.

We extend our gratitude to the City Manager, Fire Chief, Undersheriff, Public Works Director, Fleet Services Supervisor, and Risk Management Coordinator for their valuable contributions throughout this assessment. Their insights significantly enhanced our understanding of the City's practices regarding take-home vehicles and provided a foundation for the recommendations designed to strengthen operational controls.

Background Information

Carson City employs a policy that allows eligible employees to use take-home vehicles for work-related needs, as primarily serving the interests of both the City and the community. Eligibility is warranted for employees who must respond to emergencies or require specialized vehicles for their functions. We assessed the current practices and the impact of vehicle assignments with Fire, Sheriff, and Public Works departments, which encompass critical services for public safety and community infrastructure. Take-home vehicles can be assigned to specific individuals or to a specific position and shared between several employees. Individual departments oversee the use and assignment of each take-home vehicle in the City.

This assessment focused on the departments currently utilizing take-home vehicles, specifically the Fire Department, Public Works Department, and the Sheriff's Office. The Fire Department consists of six divisions—Fire Prevention, Emergency Medical, Emergency Management, Administration, Operations, and Training—all of which provide essential support to ensure community safety. The Public Works Department is responsible for managing vital infrastructure and services, while the Sheriff's Office delivers law enforcement services to maintain public safety and well-being.

Table 1 below shows the total take-home vehicles across three city departments: the Fire Department, Public Works Department, and Sheriff's Office. Recently prompted by the City Manager, the Public Works Department discontinued one take-home vehicle assignment because the position associated with that vehicle was no longer required for regular after-hours responses. This change reflects a shift in operational needs, allowing for a more efficient allocation of resources.

Similarly, the Sheriff's Office discontinued six (6) take-home vehicles: five (5) that were previously assigned to

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school resource officers whose 24/7 availability was reassessed and found to be unnecessary following a review of safety protocols. Additionally, one vehicle assigned to the City Coroner was also discontinued, as the current responsibilities associated with that position no longer met the eligibility criteria for take-home vehicles.

In the Fire Department, four (4) take-home vehicle assignments were discontinued following a recent review that determined the frequency of emergency responses logged by personnel with take-home vehicles did not warrant their continued use. This decision is in line with the City's efforts to ensure proper vehicle usage and compliance with the Vehicle Use Policy, thereby enhancing accountability and optimizing the allocation of public resources.

Table 1 – Number of Take-home Vehicles Before & After City Review

City Department	Take Home Vehicles Before Recent City Review	Take-home Vehicles After Recent City Review
Fire Department	7	3
Public Works	26	25
Sheriff's Office	35	29
Total	68	57

Source: EB created table from data obtained from individual departments

In total, approximately fifty-seven (57) vehicles are assigned to employees across these departments for daily take-home use. As part of the assessment, we evaluated the assignment practices and costs associated with these vehicles, concluding that there remains a need for improved oversight to ensure adherence to the Vehicle Use Policy and enhance operational effectiveness.

Objective & Scope

The **Objective** of the Take-home Vehicle Assessment was to conduct a comprehensive review of take-home vehicle usage within the Fire Department, Sheriff's Office, and Public Works Department of Carson City. This assessment focused on evaluating compliance with established policies, identifying inefficiencies, detecting any misuse or instances of non-compliance with regulations, and providing actionable enhancements that promote accountability, cost-effectiveness, governance, and alignment with best practices.

The **Scope** of the engagement included all current practices related to the assignment and utilization of take-home vehicles within Fire, Sheriff, and Public Works departments of Carson City. Additionally, the assessment included a review of the associated costs from July 1, 2023, to October 15, 2024.

This engagement adhered to the Statements on Standards for Consulting Services issued by the American Institute of Certified Public Accountants (AICPA).

Methodology

In alignment with the objective, the assessment involved several key activities:

1. Identification of key stakeholders, including department heads and compliance officers.
2. Review of potential risks associated with vehicle usage, such as unauthorized use and non-compliance with policies.
3. Interviews with key personnel (City Manager, Fire Chief, Undersheriff, Public Works Director, Fleet Services Supervisor, and Risk Management Coordinator) to understand existing process, controls, and concerns regarding vehicle usage.
4. Collection of relevant data, including usage logs, fuel consumption reports, and policy documents.
5. Inspection of the data to identify patterns, irregularities, or instances of policy non-compliance.

6. Verification of compliance with the City's Vehicle Use Policy and applicable state and federal regulations, i.e., Nevada Revised Statutes (NRS)¹, Nevada's State Administrative Manual (SAM)², Code of Federal Regulations (CFR)³, and Internal Revenue Service (IRS)⁴.
7. Assessment of vehicle allocation and monitoring of utilization across departments.
8. Identification of inefficiencies and resource misuse impacting operational performance and cost-effectiveness.
9. Research of best practices in take-home vehicle policies from comparable neighboring cities.

Results of the Take-home Vehicle Assessment

The assessment identified that the City has made commendable efforts to optimize the assignment of take-home vehicles. For instance, the Public Works Department recently discontinued one vehicle assignment due to decreased need, indicating a responsive approach to operational demands. Additionally, the Sheriff's Office reevaluated its vehicle assignments and discontinued six vehicles based on current safety and operational needs. This proactive reassessment demonstrates the City's commitment to ensuring that resources are allocated effectively and only when warranted.

Furthermore, the Fire Department discontinued four vehicle assignments, which emphasized that the frequency of vehicle usage among certain personnel did not justify continued assignment. This shift reflects a broader alignment with stakeholder feedback and emphasizes adherence to the Vehicle Use Policy in the challenges of managing public resources.

Despite these positive developments, the assessment also identified areas for improvement. The lack of consistent oversight and monitoring of vehicle usage across departments poses a risk to full policy compliance. While there have been reductions in assignments, ongoing management and evaluation practices must ensure that vehicle usage continues to align with the outlined operational needs and compliance standards.

Moreover, the assessment highlighted the need for comprehensive documentation and clear guidelines to govern take-home vehicle assignments. Enhanced record-keeping practices and periodic reviews will be important in ensuring accountability and transparency moving forward.

In conclusion, the Take-home Vehicle Assessment revealed the proactive efforts of Carson City's management to review and optimize vehicle assignments. However, implementing structured oversight mechanisms and improving compliance monitoring are essential for ensuring consistent adherence to the Vehicle Use Policy. By addressing the identified areas for improvement, the City can strengthen its governance framework, enhance cost-effectiveness, and maintain accountability in the utilization of public resources. These enhancements are expected to improve operational outcomes and build greater confidence in the City's resource allocation practices. This assessment identified five (5) findings, each accompanied by recommendations that highlight opportunities for further enhancement. Addressing these findings will improve operational efficiency and promote accountability and consistency across departments, facilitating even greater alignment with best practices.

FINDING #1 – Policies & Procedures

The City has established a robust and comprehensive Vehicle Use Policy that outlines guidelines and responsibilities for take-home vehicles assigned to employees. Compared to neighboring counties, Carson City's policy is well-documented and structured. However, our review revealed that six (6) of 46 employees (approximately 13%) with assigned take-home vehicles have not acknowledged the policy in a timely manner,

¹ NRS Charter 482: <https://www.leg.state.nv.us/nrs/nrs-482.html>

² SAM Section 1311: https://www.irs.gov/publications/p15b#en_US_2024_publink1000193762

³ 41 CFR Part 102-5: <https://www.ecfr.gov/current/title-41 subtitle-C/chapter-102/subchapter-A/part-102-5>

⁴ IRS Publication 15-B (2024): https://www.irs.gov/publications/p15b#en_US_2024_publink1000193762

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with acknowledgements dating as far back as 2012 to 2019. Additionally, the policy lacks a clear definition of what constitutes personal use of take-home vehicles, leading to potential ambiguity and room for interpretation, which may increase the risk of misuse.

These outdated acknowledgements may result in employee non-compliance with current take-home vehicle policy and could lead to misuse of the vehicles or increased liability for the City.

Recommendation

We recommended that the City implement a formal process to ensure that all employees assigned take-home vehicles acknowledge the Vehicle Use Policy promptly. This process should occur annually or whenever significant updates to the policy are made. Additionally, it is advisable to incorporate automated reminders and mandatory acknowledgements within a designated time limit to promote compliance with any updates or policy changes. Additionally, periodic reviews should be conducted to confirm completion of this process by all relevant employees. Lastly, the City should revise its Vehicle Use Policy to include a clear definition of personal use, supplemented with specific examples to assist employees in making appropriate decisions regarding vehicle usage.

Management Response

The City's Vehicle Use Policy is documented in PolicyTech which is the City's policy and procedures management software. The policy is set up to be reviewed every twelve months by the Human Resources Director. The City Manager's Office will work with the Human Resources Director to add an automated process requiring the policy to also be reviewed by all employees annually or when any updates or policy changes are made.

In addition, the City will update the current policy to address limitations on how the vehicle may be used including personal use and non-employee passengers. These provisions are anticipated to be complete by December 31, 2024.

FINDING #2 – Criteria for Take-home Vehicle Assignments

The Fire, Sheriff, and Public Works departments have established specific guidelines and criteria for assigning take-home vehicles that supplement and align with the City's Vehicle Use Policy. However, these processes are not formally documented.

The lack of formal documentation raises the risk of inconsistent application of vehicle assignment criteria across departments, leading to potential resource misallocation, inefficiencies, and perceptions of inequality. This inconsistency could also hinder the City's ability to verify compliance with the departmental specific and City's Vehicle Use Policy, resulting in reduced accountability and control over vehicle utilization.

Recommendation

We recommend that the Fire, Sheriff, and Public Works departments formalize their processes for the assignment criteria of take-home vehicles. This should include how the vehicle assignments align with operational needs and the overarching citywide Vehicle Use Policy. Additionally, the City Manager should be involved in reviewing and approving each department's supplement to the City's policy to ensure alignment with the broader citywide objectives. Lastly, take-home vehicle assignments should periodically undergo regular reviews to confirm they continue to meet established policy criteria.

Management Response

The Fire, Sheriff, and Public Works departments will formalize their processes for the assignment of take-home vehicles in department specific policies. These policies will include a provision for periodic review by the department, be reviewed and approved by the City Manager, and included as attachments to the city-wide policy. These provisions are anticipated to be complete by December 31, 2024.

FINDING #3 – Documentation of After-Hours Coverage

The Fire Department's current manual process for documenting after-hours coverage does not adequately address when on-call personnel utilize a take-home vehicle in response to an emergency. The manual process affects the accuracy of data and limits the Department's ability to fully assess the operational impact of having take-home vehicles. While emergency incident responses are well-documented in call logs through the dispatch process, instances where off-duty personnel are called in to cover for on-duty personnel do not go through this process. Although the Department has begun to document these occurrences, the method remains informal and lacks standardization.

Without formal documentation of after-hours coverage by off-duty personnel utilizing a take-home vehicle, there is a risk of inaccurate record-keeping and potential discrepancies in resource management. This could lead to inefficiencies and difficulties in assessing the true costs and operational needs for after-hours coverage and the utilization of take-home vehicles. Tracking this data is essential for ensuring transparency and accountability while aligning with organizational policies. Proper documentation will also support the assessment of operational needs and facilitate a review of vehicle assignment policies.

Recommendation

We recommend that the Fire Department develop and implement a formalized and standardized process for documenting all instances of off-duty personnel providing after-hours coverage. To enhance accountability and accuracy, off-duty personnel should call dispatch to be added to the call log whenever they respond to an after-hour emergency. This will create a real-time record of their response, allowing for an official log that can be audited later. In situations where dispatch is busy, a call back log should be maintained that captures essential details of after-hour responses, including incident type, time, duration, and any operational impacts.

Additionally, the Department should provide training for staff to emphasize the importance of accurately documenting these activities and outline the correct procedures for recording them in accordance with City policies. Periodic reviews should also be conducted to ensure compliance with this process, helping to maintain integrity in documentation practices.

Management Response

The Fire Chief will develop a standardized tracking sheet to document all instances of off-duty personnel with take-home vehicles that provide after-hours coverage. This information will be attached to the Fire Department's take-home vehicle policy and training will be provided when take-home vehicles are assigned. These provisions are anticipated to be complete by December 31, 2024.

FINDING #4 – Vehicle Utilization Reports

The assessment identified that, while vehicle utilization reports are generated to track key metrics such as mileage, fuel consumption, and fuel costs, there is currently no thorough analysis to differentiate between work-related and personal use of take-home vehicles. This gap poses risk, including excessive personal use, underutilized vehicles, and missed opportunities to optimize fleet size or reallocating vehicles based on actual usage patterns. Without a comprehensive review of utilization data, the City may miss important insights needed for informed decision-making. Regular monitoring and detailed analysis of vehicle data will not only enhance compliance with take-home vehicle policies but also promote a more efficient use of City resources.

Recommendation

We recommend that the departments develop and implement a standardized process for analyzing vehicle utilization reports for take-home vehicles. This analysis should help establish thresholds or criteria to distinguish between work-related and personal use. Additionally, it should identify vehicles that are significantly underutilized, consider reallocating or removing such vehicles from the fleet, and evaluate

whether the current number of take-home vehicles remains justifiable or could be reduced. Regularly reviewing these insights will improve overall vehicle management and resource allocation.

Management Response

The City's Fleet Services Division recently implemented new software that will allow Fleet Services and departments utilizing City vehicles to perform utilization studies at the end of each fiscal year. These provisions are anticipated to be complete by July 31, 2025.

FINDING #5 – Take-Home Vehicle Exceptions and City Limit Restrictions

The current city-wide Vehicle Use Policy does not specify the allowable number of miles beyond city boundaries for take-home vehicles, nor does it mandate that employees be residents of the city to qualify for such assignments. Best practices regarding take-home vehicles for employees living outside city boundaries can vary based on specific needs, operational requirements, and regional considerations. However, a common guideline often suggests that a maximum distance of 25 miles from city boundaries is reasonable for take-home vehicle assignments. This distance is typically seen as a balance that allows employees to respond effectively to emergencies or work-related incidents while minimizing the implications of extended commutes on vehicle wear, maintenance costs, and potential liability.

Recommendation

To address the lack of clarity in the current policy, we recommend that the City establish a maximum allowable distance for take-home vehicle assignments, such as a 25-mile guideline from city boundaries. Additionally, the City should implement a formal exception process for employees who require a take-home vehicle beyond this established distance, with justification and approval from the City Manager. Lastly, regular evaluations of take-home assignments should be conducted to ensure compliance with the policy and to identify potential misuse or necessary adjustments based on changes in job responsibilities.

Management Response

The City Manager will revise the city-wide Vehicle Use Policy to establish a maximum allowable commute distance of 25 miles from city boundaries, outline a formal exception process and provide for regular evaluations of take-home vehicle assignments. These provisions are anticipated to be complete by December 31, 2024.