



**2015 Luzerne County
Vehicle Inventory Analysis
And
Verification of Insurance**

**Fieldwork Performed by:
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June 12, 2015

**Michelle A. Bednar
Luzerne County Controller**

Objective:

The objective of this review is to ensure that Luzerne County maintains an accurate, up to date list of insured county vehicles.

Condition:

The Road and Bridge Department maintains the motor vehicle fleet for Luzerne County, as well as non-road equipment such as trailers, loaders, compressors and lawn mowers. The County Managers Office maintains a list of motor vehicles covered under insurance.

Methodology:

The Controller's Office compared and reconciled both rosters, by the vehicles make, model and vehicle identification number (VIN), then furnished the corrected lists to both the Road and Bridge Department and the County Managers Office to unify their records.

The Controller's Office reviewed an insurance billing schedule for each department and located the invoices, then verified that the payments were made to the insurance company from New World, the Countywide Financial System.

The Controller's Office randomly selected county vehicles, recorded the VIN plate number, and then validated that each vehicle was on the insurance.

While checking vehicles and recording their VIN's to compare with the insurance listing, we found county vehicles parked in the Water Street Parkade which hadn't been moved in several weeks. One vehicle in particular had an expired inspection sticker, a cracked windshield, and a flat tire. This vehicle is covered by insurance.

Opinion and Conclusion:

The list of insured vehicles obtained from the County Manager's Office was correct. The Controller's Office found two vehicles on the Road and Bridge list that needed to be removed, and a few typographical errors.

All discrepancies are now reconciled, and both the County Manager and the Road and Bridge departments have identical vehicle inventory lists.

Recommendations:

Vehicles known to be out of service should be removed from the insurance coverages.

Any future changes in the inventory should be posted on both lists, then be verified as identical. Dialog between the County Manager and the Road and Bridge Department regarding changes will provide certainty that the lists are accurate, and up to date.


Responses:

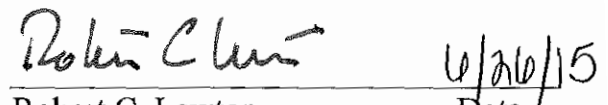
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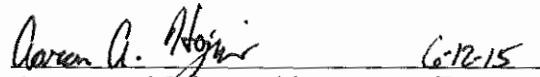
Luzerne County Home Rule Charter: Section 3.08 (C.) 3.

The audited entity shall respond in writing, specifying agreement with the audit findings and/or recommendations or the reasons for disagreement with the findings and/or recommendations, along with any plan and timetable for implementing remedies. The response shall be provided to the Controller within 14 days after the audited entity's receipt of the draft audit. The Controller shall include the audited entity's response in his/her final audit report. The final audit report shall be transmitted to IT for upload to the county website fourteen days after submission to the County Manager. Fourteen days from today: June 12, 2015.


Controller's Office:

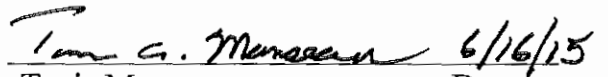

Michelle A. Bednar Date
Controller


Robert C. Lawton Date
County Manager


Aaron A. Hojnowski Date
Deputy Controller


Michele Sparich Date
County Administration


Martin G. Moughan Date
Auditor


Tanis Manseau Date
Operational Services


Nancy L. DeFluri Date
Internal Auditor


Wayne Mitchell Date
Warehouse Supervisor



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Response to the 2015 Luzerne County Vehicle Inventory Analysis and
Verification of Insurance

Luzerne County Division of Operational Services and Luzerne County
Manager's Office

The County of Luzerne wishes to thank the Luzerne County Controller for her interest in the Luzerne County vehicle fleet. The Division of Operational Services and the County Manager's Office strive to ensure the continued care of County vehicles. This effort by the Controller reflects the continued diligence of the County to care for and properly maintain the valuable vehicles purchased for County use by the Luzerne County taxpayer.

The Controller's audit addresses County vehicle inventory and insurance verification. The County has attempted to respond to each topic as requested. The County has also responded to some of the Controller's Office general comments.

Inventory

Recommendation #1: *Any future changes in the inventory should be posted on both lists, then be verified as identical.*

Response #1: Agree that all county equipment should be consistently monitored. Effective immediately, the Division of Operational Services and the Luzerne County Manager's Office will utilize one list between all departments for better inventory control.

The County has reconciled all of the typographical errors discussed in the audit. It should be noted that all vehicles were properly listed on the insurance documents with the proper VINs at all times.

Insurance

Recommendation #2: *Vehicles known to be out of service should be removed from the insurance coverages.*

Response #2: The Luzerne County Division of Operations is aware of the vehicles discussed in the Controller's audit. However, for liability reasons, vehicles cannot be removed from the County's insurance

Response to the 2015 Vehicle Inventory Analysis

coverage until they have been sold. The Luzerne County Division of Operations has been in contact with the Luzerne County Department of Purchasing to annually review vehicle usage and auction off vehicles that are out of service along with other equipment.

Closing Remarks

In closing, we appreciate the Controller's time and attention to the County's vehicle inventory. The County will continue to work with the Controller in properly inventorying and maintaining County equipment.