

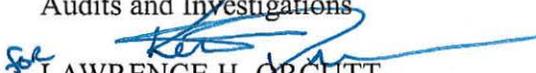
Memorandum

*Serious drought.
Help Save Water!*

To: WILLIAM LEWIS
Assistant Director
Audits and Investigations

Date: November 30, 2015

File: P3000-0424

From:  LAWRENCE H. ORCUTT
Chief
Division of Equipment

Subject: **180-Day Status Response for Vehicle Home Storage Permit Audit (P3000-0424)**

Enclosed is the 180 - Day response from the Division of Equipment to the Vehicle Home Storage Permit Audit (P3000-0424) performed by the Audits and Investigations.

If you have any question, please contact Keith Duncan at (916) 227-9506.

Attachment

c: Laurine Bohamera, Chief, Internal Audits, Audits and Investigations
Keith Duncan, Chief, Office of Budgets and Administration, Division of Equipment
Kevin Yee, Audit Manager, Internal Audits, Audits and Investigations

Audits and Investigations (A&I) Audit Finding Status Report Update

Audit Name: Home Storage Permit Program Audit

Audit No. P3000-0424

Auditee: Division of Equipment

Audit Report Finding # 1

Monitoring and Oversight Weaknesses Over the Home Storage Permit Program

A&I Audit Recommendation	Auditee Original Response to Report	60-Day Status	180-Day Update	360-Day update
1. Require fleet users to use "S" numbers in Cartags for the operator name field and ensure that the system validates the numbers. Additionally, we recommend DOE remove auto-population capabilities for the operator name and storage location fields in Cartags.	1. The reprogramming of Cartags to include "S" numbers is no longer necessary. The Cartags system will be replaced by the Global Positioning System (GPS) in the near future, and will require employees to use key fobs when driving the vehicle. The key fobs will identify the employee by unique driver identification number.	See Response to Recommendation # 5		
2. Review Cartags data to determine if fleet users without permits are storing vehicles at home more than the allotted number of nights. Additionally, review the data to ensure that it is consistent and complete.	2. In regards to DOE coordinators' review of equipment usage to ensure compliance with California Code Regulations (CCR) 599.808, the Department policy is for the program supervisor to review equipment usage. Per the VHSP Guidelines, page 7, it is the supervisor's responsibility to: <ul style="list-style-type: none"> • Request cancellation of the VHSPs that no longer meet the required criteria. • Approve the completed PM-0041 form by the third business day of each month, and promptly cancel VHSPs with delinquent PM-0041 filing. • Review and approve the VHSP holders' Log of Emergency Trips- Before/After Hour Call-Out (DM-0090) form on a monthly basis. 	See Response to Recommendation # 5		
3. Provide districts with a category or list of vehicles that are considered qualified nonpersonal use vehicles.	3. DOE is in the process of exploring different methodology to validate the fringe benefit reporting on the PM-0041 form. There are over 500 maintenance classes that need to be reviewed and to determine the fringe benefit applicability of equipment used by VHSP holders.	3. Programming is being developed for the VHSP database to incorporate equipment that are considered qualified non-personal use vehicles.	3. DOE is working with IT to complete the programming necessary to the VHSP database to incorporate equipment that are considered qualified non-personal uses vehicles.	
4. Request a change in the HSP system to ensure exclusions to fringe benefit reporting claimed on the PM-0041 forms are validated. Until system controls are in place, review exclusions claimed to ensure they are valid.	4. Per the VHSP Guidelines, page 7, it is the supervisor's responsibility to: <ul style="list-style-type: none"> • Approve the completed PM-0041 form by the third business day of each month, and promptly cancel VHSPs with delinquent PM-0041 filing. 	4. Per the VHSP Guidelines, page 7, it is the supervisor's responsibility to: <ul style="list-style-type: none"> • Approve the completed PM-0041 form by the third business day of each month, and promptly cancel VHSPs with delinquent PM-0041 filing. 		
5. Determine how data will be obtained from the new GPS system to monitor vehicle use by individuals without permits and provide guidance to districts to support the districts' monitoring efforts.	5. The recommendation was added to the final report and did not get addressed on the Original Response Report.	5. DOE is working to finalize the Use of State Vehicle Guidelines that will provide guidance to monitoring vehicle use with expected distribution by September 1, 2015.	5. DOE continually updates the <i>Use of State Vehicle Guidelines</i> as a tool to assist district management teams to monitor vehicle use. The guidelines are updated as needed.	

Memorandum

*Serious drought.
Help Save Water!*

To: WILLIAM E. LEWIS
Assistant Director
Audits and Investigations

Date: December 7, 2015

From: 
CARRIE L. BOWEN
District Director
District 7

Subject: **180-DAY STATUS REPORT ON HOME STORAGE PERMIT PROGRAM (P3000-0424)**

Attached is the District 7 one hundred eighty-day status report to audit P3000-0424, 2015 Audit Report on the Home Storage Permit Program. This status report reflects updates to findings one and three, as finding two and four are considered complete. Please see attached for updates on the following findings and recommendations:

Audit Report Finding #1

Monitoring and Oversight Weaknesses over the Home Storage Permit Program

Audit Report Finding #2 (Complete)

Personal Use of State Vehicle One-way Commuting and/or Round Trip Form Procedures not Consistently Followed

Audit Report Finding #3

Not All Permits were Justified

Audit Report Finding #4 (Complete)

Inadequate Record Keeping and Monitoring in Districts 6 and 7

If you have any questions or need additional information, please contact Duncan McIntosh, Deputy District Director of Administration at (213) 897-0362.

c: Shirley Choate, Chief Deputy District 7 Director
Duncan McIntosh, Deputy District 7 Director, Administration
Debbie Wong, Deputy District 7 Director, Maintenance
Ali Zaghari, Deputy District 7 Director, Operations

Attachment

180-day Status Report to Audit P3000-0424, 2015 Audit Report on the Home Storage Permit Program

Audits and Investigations (A&I) Audit Finding Status Report Update

Audit Name: **AUDIT REPORT OF THE HOME STORAGE PERMIT PROGRAM**

Audit No. **P3000-0424**

Auditee: **District 7**

Audit Report Finding #1

Monitoring and Oversight Weaknesses Over the Home Storage Permit Program

A&I Audit Recommendation	Auditee Original Response to Report	Revised Response	Staff Responsible	60-Day Status	180-Day Update	360-Day update	A&I Analysis/Status and Date
<p>Review Cartags data to determine if fleet users without permits are storing vehicles at home more than the allotted number of nights. Additionally, review the data to ensure that it is complete and consistent and if not, notify the responsible fleet users and supervisors.</p>	<p>District 7 will identify staff responsibility to review cartag system data dump provided by DOE.</p>		<p align="center">DDDA</p>	<p>Permanent Staff Assignment has not been made. Data Analysis is in Progress July 2014-May 2015 Cartag data being sorted to assess vehicle trips for non-HSP holders. Reporting and monitoring process in development.</p>	<p>Asst Eq Coordinator has been assigned to review data dump supplied by DOE. Currently waiting on data dump from DOE. Will review June 1, 2015 thru current date once available, then monthly on the 4th. Non HSP employee's Supv notified that a PM-0041 must be faxed to 916 227-9357 for days vehicle was taken home. Tracking of this is on form NON-HSP 72.</p>		
<p>Review Cartags data to determine if fleet users without permits are storing vehicles at home more than the allotted number of nights. Additionally, review the data to ensure that it is complete and consistent and if not, notify the responsible fleet users and supervisors.</p>	<p>District 7 staff assigned to the California Code of Regulations (CCR) Section 599.808 (72 night rule) assessment & reporting will review cartag data provided by DOE on quarterly basis. Review data by employee to determine "home storage" and report to District Management. Please note this review requires assessment of approximately 2300 District Employees. District 7 will continue to work with DOE to facilitate reporting and review as GPS program is implemented.</p>		<p align="center">TBD</p>	<p>District 7 HSP Maintenance Coordinator will set his/her GPS account with landmarks at state facilities and HSP holder addresses. HSP Mtc Coordinator will create a quarterly report of end trips of all Mtc vehicles with end trips outside of landmarks to identify all non-HSP holders. The quarterly report will be sent to employees' supervisor.</p>	<p>HSP Coordinator will compare GPS report consisting of outside facilities and HSP holder's residential addresses (Landmark) and add results to the form NON-HSP 72. Management staff have been trained in Verizon's GPS system to assist in tracking of overnight storage locations. 2015 report to include Aug 1 thru Nov 30, Dec 1 thru Dec 31. 2016 run dates - Apr 1, Jul 1, Oct 1, Dec 31. The quarterly report will be sent to employees' Supervisor and Manager</p>		<p align="center">For A&I Use</p>

Audits and Investigations (A&I) Audit Finding Status Report Update

Audit Name: AUDIT REPORT OF THE HOME STORAGE PERMIT PROGRAM

Audit No. P3000-0424

Auditee: District 7

<p>Review exclusions claimed to ensure they are valid and notify permit holders and supervisors of errors</p>	<p>District HSP coordinators will receive training on the fringe benefit claim rules from Division of Equipment to evaluate exclusion determinations.</p>	<p>District HSP coordinators, HSP holders and their first-line supervisors will receive training on the fringe benefit claim rules from Division of Equipment to evaluate exclusion determinations.</p>	<p>Division of Equipment Operations: Joe Venegas Maintenance: Marcoz Hernandez</p>	<p>District 7 HSP Maintenance Coordinator will set up training for HSP holders and their first-approving supervisor. Revised estimated completion: 10/1/2015</p>	<p>HSP training tentitavely scheduled for Dec 15, 2015.</p>		<p align="center">For A&I Use</p>
<p>Review exclusions claimed to ensure they are valid and notify permit holders and supervisors of errors</p>	<p>District Home Storage Permit coordinators; in areas that have Home Storage Permits assigned, will review exclusions claimed monthly to ensure they are valid and notify permit holders and supervisors of errors.</p>		<p>Operations: Joe Venegas Maintenance: Marcoz Hernandez and first-line supervisor of HSP holders .</p>	<p>District 7 HSP Maintenance Coordinator will review all HSP exclusions for errors and notify HSP holders and first-approving supervisors of errors, quarterly.</p>	<p>Dec 1, 2015 is next review of Exclusions. 2016 review will be on Mar 31 - Jun 30 - Sep 30 - Dec 31.</p>		<p align="center">For A&I Use</p>
<p>Obtain OPS system training from DOE in order to monitor home storage of vehicles by individuals without permits.</p>					<p>District conducted GPS Training, (Maint Supts, Mgr I, Mgr II, DDD- attended this training on 9/15/2015; additional training to be scheduled first quarter 2016)</p>		

Audits and Investigations (A&I) Audit Finding Status Report Update

Audit Name: AUDIT REPORT OF THE HOME STORAGE PERMIT PROGRAM

Audit No. P3000-0424

Auditee: District 7

Audit Report Finding #2

Personal Use of State Vehicle One-way Commuting and/or Round Trip Form Procedures Not Consistently

<p>District 4, 6, and 7 HSP supervisors and managers should ensure that PM -0041's are completed, reviewed, and approved by the third calendar day of the subsequent month.</p>	<p>All TMT personnel log into their HSP Login Account and electronically submit their PM-0041 to Joe Venegas for electronic approval monthly. Joe Venegas (an HSP holder) submits his (PM-0041) to me electronically every month for my approval. All approval are required to take place no later than the 3rd business day of the month. .</p>			<p>Division of Ops is in full compliance</p>			<p align="center">For A&I Use</p>
<p>District 4, 6, and 7 HSP supervisors and managers should ensure that PM -0041's are completed, reviewed, and approved by the third calendar day of the subsequent month.</p>	<p>All Maintenance supervisory staff with HSP holders reporting directly to them are to enforce the HSP policies and electronically submit form (PM-0041) prior to the 3rd business day of the month. The policy with be reviewed and initialed by all HSP holders. At the monthly manager's meeting, held by the DDDM, a printout of the delinquent reporters will be shared and the corrective actions will be taken, which may lead to the confiscation of the permit.</p>		<p>HSP Maintenance Coordinator: Marcoz Hernandez and First-line supervisors of HSP holders</p>	<p>District 7 HSP Maintenance Coordinator has been creating a report identifying delinquent Pm-41 and notifies the HSP holder and first line supervisor of action required.</p>	<p>Div of Maint is in full compliance. Monthly reports are run on the 4th for the previous month and notifications are sent to Permit holder and Approver</p>		<p align="center">For A&I Use</p>

Audits and Investigations (A&I) Audit Finding Status Report Update

Audit Name: AUDIT REPORT OF THE HOME STORAGE PERMIT PROGRAM

Audit No. P3000-0424

Auditee: District 7

Audit Report Finding #3

Not All Permits were Justified

<p>District 4, 6, and 7 VHSP supervisors and managers should:</p> <p>1. Monitor the emergency call outs by permit holders on a monthly basis to ensure they have a minimum of two call outs per month to meet the annual minimum of 24 emergency call outs. Request DOE cancel any permits not meeting the minimum monthly call out requirement.</p> <p>2. Review Cartags data for permit holders on a monthly basis to determine if the state-owned vehicle is stored at home frequently enough to support the need for permit issuance. Request cancellation if the permit issuance is not supportable.</p> <p>3. Review the Log of Emergency Trips - Before/ After Hours Call Out (DM-0090) in conjunction with the PM-0041 form to ensure that the emergency call outs are properly recorded in the HSP system to support DOE's monitoring and oversight responsibilities.</p>	<p>All Division of Ops TMT Home Storage Permits are justified per the HSP Guidelines.</p> <p>All TMT HSP holders are meeting the requirements of a minimum of 24 Emergency Call Outs per year.</p>			<p>Division of Ops is in full compliance</p>		<p align="center">For A&I Use</p>
<p>District 4, 6, and 7 VHSP supervisors and managers should:</p> <p>1. Monitor the emergency call outs by permit holders on a monthly basis to ensure they have a minimum of two call outs per month to meet the annual minimum of 24 emergency call outs. Request DOE cancel any permits not meeting the minimum monthly call out requirement.</p> <p>2. Review Cartags data for permit holders on a monthly basis to determine if the state-owned vehicle is stored at home frequently enough to support the need for permit issuance. Request cancellation if the permit issuance is not supportable.</p> <p>3. Review the Log of Emergency Trips - Before/ After Hours Call Out (DM-0090) in conjunction with the PM-0041 form to ensure that the emergency call outs are properly recorded in the HSP system to support DOE's monitoring and oversight responsibilities.</p>	<p>Maintenance Division will collect the completed form DM-0090 in the District office. The MM2 over the Equipment manager will review Cartag data with the Equipment manager and provide the DDDM a list of at-risk HSP holders that may not meet the annual minimum of callouts. The list will be shared and the monthly region manager meeting held by the DDDM.</p>	<p>1) Maintenance Division will continue to collect the completed form DM-0090 in the Region office.</p> <p>2) The MM2 over region the Equipment manager will review Cartag data with the Equipment manager and provide the DDDM a list of at-risk HSP holders that may not meet the annual minimum of callouts. The list will be shared quarterly at the region manager meeting held by the DDDM.</p> <p>3) The MM2 over region the Equipment manager will review Log of Emergency Trips-Before/After Hours Call out (DM-0090) with the Equipment manager and provide the DDDM a list of at-risk HSP holders that may not meet the annual minimum of callouts. The list will be shared quarterly at the region manager meeting held by the DDDM.</p>	<p>Field Maintenance Manager 2 and the Equipment Manager, Marcoz Hernandez</p>	<p>District 7 HSP Maintenance Coordinator will set up training for HSP holders and their first-approving supervisor. Revised completion date: Sept 1, 2015 new date</p>	<p>District 7 HSP Maintenance Coordinator will set up training for HSP holders and their first-approving supervisor. Revised completion date: Dec 15, 2015. DME-0090 spreadsheet has been created for Regions to track number of call outs per month for HSP holder. Regions sends completed DME-0090 spreadsheet to HSP Coordinator on the 5th for the previous month. Supervisor's over HSP holders are to run Landmark GPS reports on a monthly basis to ensure state owned vehicle is stored at home frequent enough to support the need for a hsp. Maint Supts, Mgr I, Mgr II, DDD- attended GPS training on 9/15/2015; additional training to be scheduled first quarter 2016.</p>	<p align="center">For A&I Use</p>

Audits and Investigations (A&I) Audit Finding Status Report Update

Audit Name: AUDIT REPORT OF THE HOME STORAGE PERMIT PROGRAM

Audit No. P3000-0424

Auditee: District 7

Obtain OPS system training from DOE in order to monitor home storage of vehicles by individuals without permits.

District conducted GPS Training, (Maint Supts, Mgr I, Mgr II, DDD- attended this training on 9/15/2015; additional training to be scheduled first quarter 2016)

Audits and Investigations (A&I) Audit Finding Status Report Update

Audit Name: AUDIT REPORT OF THE HOME STORAGE PERMIT PROGRAM

Audit No. P3000-0424

Auditee: District 7

Audit Report Finding #4

Inadequate Record Keeping and Monitoring in District 6 and 7

<p>The supervisors should require the HSP holder to complete a DM-0090 on a monthly basis and submit it for approval.</p>	<p>A form DM-0090 "Log of Emergency Trips" is submitted monthly as per the HSP Guidelines, to Joe Venegas (Senior Engineer TMT), by all Div of Ops HSP holders documenting all emergency Call Outs.</p>			<p>Division of Ops is in full compliance</p>		<p align="center">For A&I Use</p>
<p>The supervisors should require the HSP holder to complete a DM-0090 on a monthly basis and submit it for approval.</p>	<p>Maintenance Division will collect the completed form DM-0090 in the District office and keep track on a spreadsheet for monthly updating. The MM2 in charge of the Equipment manager will review Cartag data with the Equipment manager and provide the DDDM a list of at-risk HSP holders that may not meet the annual minimum of callouts. The list will be shared and the monthly region manager meeting held by the DDDM.</p>	<p>Maintenance Division will collect the completed form DM-0090 in the region office and keep track on a spreadsheet for monthly updating. The MM2 in charge of the Equipment manager will review Cartag data with the Equipment manager and provide the DDDM a list of at-risk HSP holders that may not meet the annual minimum of callouts. The list will be shared and the monthly region manager meeting held by the DDDM.</p> <p>Maintenance Division will collect the completed form DM-0090 in the regional office and keep track on a spreadsheet for monthly updating and retain. Copies of the spreadsheet and DM-0090 will be sent to the HSP Coordinator by the 4th day for the subsequent month.</p>	<p>Equipment Manager, Marcoz Hernandez</p>	<p>Regions will collect DM-0090 monthly, update spreadsheet and forward to HSP Coordinator for final review and provide the DDDM a list of at-risk HSP holders that may not meet the annual minimum of callouts. The list will be shared quarterly at the region manager meeting held by the DDDM.</p>	<p>Div of Maintenance is in full compliance.</p>	<p align="center">For A&I Use</p>