

THOMAS P. DiNAPOLI
STATE COMPTROLLER



110 STATE STREET
ALBANY, NEW YORK 12236

STATE OF NEW YORK
OFFICE OF THE STATE COMPTROLLER

October 4, 2011

Rose Harvey
Commissioner
Office of Parks, Recreation and Historic Preservation
Empire State Plaza
Agency Building 1
Albany, NY 12238

Re: 2010-S-25 Oversight of Vehicle Use

Dear Commissioner Harvey:

According to the State Comptroller's authority as set forth in Article V, Section 1 of the State Constitution and Article II, Section 8 of the State Finance Law, we audited the Office of Parks, Recreation and Historic Preservation's (Parks) Oversight of Vehicle Use for the period January 1, 2009 through January 28, 2011.

A. Background

Parks' mission is to provide safe recreational and interpretive opportunities for all New York State residents and visitors and to be responsible stewards of our valuable natural, historic and cultural resources. Parks operates and maintains a statewide system of 178 parks and 37 historic sites and hosts a variety of cultural, recreational and educational programs. Parks is headquartered in Albany and maintains 11 regional offices. As of November 30, 2010, Parks had 160 pool passenger vehicles in various locations throughout the State.

Budget Policy and Reporting Manual D-750 (D-750) requires State agencies to develop policies and procedures for managing State vehicles. D-750 specifies that State vehicles should be used only for conducting State business, thereby restricting personal use by State employees. D-750 requires agencies to justify maintaining any vehicles that are used less than 10,000 miles annually and to establish reporting and recordkeeping requirements to ensure vehicles are used only for State business.

Parks' Energy and Equipment Management Unit (Equipment Unit) maintains a database to monitor vehicle maintenance and repair. Evaluating annual mileage information from the database, the Equipment Unit distributes vehicles among regions.

B. Audit Scope, Objective and Methodology

We audited selected management practices of Parks' controls over vehicles for the period January 1, 2009 through January 28, 2011. The objectives of our audit were to determine whether Parks vehicles are necessary and used for business purposes. We interviewed and observed Parks staff to gain an understanding of their oversight of vehicle usage. We also reviewed procedures and examined Vehicle Request Forms, as well as travel vouchers. In addition, we visited a sample of 12 locations selected judgmentally, based on geography and vehicle use, from a population of 32 parks and regional offices that had pool vehicles, and examined mileage records for 39 judgmentally-selected vehicles, based on miles driven over the previous year.

We conducted our performance audit according to generally accepted government auditing standards. These standards require that we plan and perform our audits to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

In addition to being the State Auditor, the Comptroller performs certain other constitutionally and statutorily mandated duties as the chief fiscal officer of New York State. These include operating the State's accounting system; preparing the State's financial statements; and approving State contracts, refunds and other payments. In addition, the Comptroller appoints members to certain boards, commissions and public authorities, some of whom have minority voting rights. These duties may be considered management functions for purposes of evaluating organizational independence under generally accepted government auditing standards. In our opinion, these functions do not affect our ability to conduct independent audits of program performance.

C. Results of Audit

With respect to the audit objectives, we conclude that:

- The vehicles in Parks' passenger vehicle pool are necessary. Because of the State's current economic condition, Parks can't purchase new vehicles for its fleet. However, Parks continues to have seasonal needs for vehicles. Although Parks uses some vehicles less than 5,000 miles annually, it needs these vehicles for peak season and emergencies. These older model vehicles, which Parks' seasonal staff use at camp sites and beaches, typically have excessive wear. The Equipment Unit distributes pool vehicles consistent with each location's need.
- Some risk exists that vehicles could be used for non-business purposes. Although Parks' current vehicles are generally older and not considered desirable for personal use, the potential exists for the newer vehicles to be misused as the older models are replaced.

Parks has not established uniform procedures for monitoring vehicle use throughout its regional offices. We requested policies and procedures from all 11 regional offices and the Albany headquarters, and visited regional offices and parks throughout the State, but found only two locations, Peebles Island and the Albany headquarters, maintain any type of auditable recordkeeping. Inadequate recordkeeping increases the risk that vehicles may be used inappropriately without detection.

Despite the requirements of D-750, Parks management does not adequately monitor whether vehicles are used only for business purposes. The Equipment Unit developed a Vehicle Request Form for use in the Albany headquarters. While this form could be a tool for monitoring vehicle usage, it doesn't require users to indicate a purpose for the trip. Requiring a purpose for each trip puts users on notice that Parks management may periodically review vehicle usage, thus deterring misuse of pool vehicles. Equipment Unit officials stated their primary concern is to ensure the fleet is properly maintained. As a result of our audit, the Albany headquarters enhanced its Vehicle Request Form on February 7, 2011 to include the purpose of the trip. However, management has not yet mandated other regional offices to use this, or a similar, form.

Recommendation:

Routinely monitor vehicle use consistently throughout all regions to ensure vehicles are used only for business purposes. Establish procedures, including documentation that enables monitoring to occur.

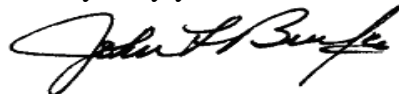
Major contributors to this report include Frank Houston, Dave Hancox, Walter Irving, Joel Biederman, Kathy Garceau, Donald Cosgrove and Matthew Luther.

We provided a draft copy of this report to Parks officials for their review and comment. Parks officials agreed with our recommendation and state they are in the process of revising existing procedures. Their response is attached at the end of this report.

Within 90 days after final release of this report, as required by Section 170 of the Executive Law, the Commissioner of the Office of Parks, Recreation and Historic Preservation shall report to the Governor, the State Comptroller, and leaders of the Legislature and fiscal committees, advising what steps were taken to implement the recommendation contained herein, and if the recommendation was not implemented, the reasons why.

We wish to thank Parks' management and staff for the courtesies and cooperation extended to our examiners during this audit.

Very truly yours,



John Buyce, CPA, CIA, CGFM
Audit Director

cc: Thomas Lukacs, Division of the Budget



**New York State Office of Parks,
Recreation and Historic Preservation**

The Governor Nelson A. Rockefeller Empire State Plaza • Agency Building 1, Albany, New York 12238
www.nysparks.com

Andrew M. Cuomo
Governor

Rose Harvey
Acting Commissioner

August 22, 2011

Mr. John F. Buyce, CPA
Audit Director
Office of the State Comptroller
State Audit Bureau
110 State Street
Albany, N.Y. 12236

Dear John,

We have reviewed your Draft Audit Report for audit 2010-S-25 entitled "*Oversight of Vehicle Use.*" A detailed staff response including comments is attached.

Thank you for the opportunity to respond to your findings. If you have any questions regarding the Agency's response, please contact Brian D. Jackson at (518) 473-3390.

Sincerely,

Peter C. Finn
Deputy Commissioner for
Finance and Administration

cc: Commissioner Harvey
Andy Beers
Dan Kane
Mick Wise
Brian Jackson

**New York State Office of Parks, Recreation & Historic Preservation
Response to the Office of the State Comptroller's Draft Audit Findings
2010-S-25 Oversight of Vehicle Use Audit**

Comments on the Draft Audit Findings

The following are specific comments regarding The Office of the State Controller's (OSC) statements and conclusions contained in the draft audit findings.

The Office of Parks, Recreation and Historic Preservation (OPRHP) has established policies and procedures regarding the proper use and operation of state-owned vehicles. These procedures are available to all OPRHP employees. OPRHP also is confident vehicle use is in accordance with state and agency guidelines. However, OPRHP recognizes a risk does exist regarding the proper use of state owned vehicles. Therefore, current procedures are in the process of being reviewed.

Response to Recommendations (Page 3)

The following section presents OPRHP's response to the recommendation contained in the draft audit report.

- o **Recommendation:** *Routinely monitor vehicle use consistently throughout all regions to ensure vehicles are used only for business purposes. Establish procedures, including documentation that enables monitoring to occur.*

Agency Response: Agree. OPRHP concurs with the recommendation and is currently in the process of revising existing procedures.