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AUDIT REPORT

Automotive Services Resolved Most Findings from the Original Take-Home Vehicle Audit

October 2025

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Automotive Services Resolved Most Findings from the Original Take-Home Vehicle Audit.

Audit Executive Summary

October 23, 2025

Background

In July 2023, we audited Clark County's Take Home -Vehicle Program and identified the following ten findings:

- Driver's license for employee's assigned take-home vehicles were not verified as standard practice (High Risk);
- Unsafe driving behavior was not being monitored and one employee displayed poor driving behavior (Medium Risk);
- One employee used a take-home vehicle for personal use and stops made by some employees could not be verified (Medium Risk);
- Policies and Procedures for employees who were assigned take-home vehicles while on extended leave were not being followed (Medium Risk);
- One department had no procedures for monitoring their take-home vehicles for improper usage (Medium Risk);
- Discrepancies in take-home vehicle driver and vehicle assignments when comparing department records to Automotive records (Medium Risk);
- Two employees with take-home vehicles were not current on the required defensive driving course (Medium Risk);
- A standard commuting use form was not available, and some employees were not following commuting usage policies (Low Risk);
- Automotive Services was not reviewing vehicle utilization (Low Risk); and
- Former employees and inactive users retained access to the GPS application and the application's password configuration did not meet County security standards (Low Risk).

Why We Did This Audit

We conducted this audit to determine whether Automotive Services and corresponding departments have implemented corrective action to resolve the original audit findings.

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What We Found

We found that 6 of the 10 original audit findings have been fully resolved while the other 4 have been partially resolved.

Some of the implemented corrective action include:

- A new telematics monitoring solution with automated safety alerts and driving history;
- Driver's license verification process for take-home vehicle applications;
- Proposed updates to the administrative guidelines that cover take-home vehicles;
- A standardized commuting usage form; and
- Drafting a written vehicle utilization procedure.

We conducted testing to determine the status of the original audit findings. See the audit report for details.

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Background

In July 2023, we audited Clark County's Take-Home Vehicle Program and identified ten audit findings as follows:

- Driver's licenses for employees assigned take-home vehicles were not verified as a standard practice (High Risk);
- Unsafe driving behavior was not being monitored and one employee had poor driving behavior based on system reporting (Medium Risk);
- One employee used a take-home vehicle for personal use and stops made by some employees could not be verified (Medium Risk);
- Departmental policies and procedures for employees who were assigned take-home vehicles while on extended leave were not being followed (Medium Risk);
- One department had no procedures for monitoring take-home vehicles (Medium Risk);
- Some discrepancies in take home-vehicle driver and vehicle assignments when comparing department records to Automotive records (Medium Risk);
- Two employees with take-home vehicles were not current on the County's required defensive driving course (Medium Risk);
- A standard commuting usage form was not in place, and some employees were not following commuting documentation policies (Low Risk);
- Automotive Services was not analyzing vehicle utilization (Low Risk); and
- A few former employees and inactive users retained access to the GPS application and the application's password configuration did not meet County security standards (Low Risk).

Objective

The objective of this audit was to determine whether corrective actions were implemented to address the finding conditions identified in the original audit.

Conclusions

We found that 6 of the 10 original audit findings have been fully resolved while the other 4 have been partially resolved.

Automotive Services and corresponding departments implemented the following corrective actions:

- Take-home vehicle applications now require a supervisor to verify and attest that the employee possesses an unexpired driver's license at the time of application. This occurs during the initial application and subsequent renewal.

- Departments now receive automated safety alerts for vehicles within their fleet. Also, departments are able to generate safety summary reports for supplemental driving behavior monitoring.
- Automotive Services drafted changes to Administrative Guideline Number 6 and 15, clarifying department's responsibilities for reviewing for improper take-home vehicle usage and monitoring for unsafe driving behavior.
- Family Services updated the requirements for employees (*who have an assigned take home vehicle*) to turn in their key to a supervisor when going on extended leave.
- Clark County Fire implemented procedures for monitoring their take home vehicle fleet.
- Automotive Services now receives a weekly SuccessFactors[1] report indicating defensive driving course status for all County employees. These are reviewed to determine whether a take-home vehicle applicant is current on defensive driving. The take-home application reminds employees that they must be current on this course.
- Automotive Services implemented a standardized commuting usage form and made it available to all employees.
- Automotive Services developed written policies and procedures for performing an annual vehicle utilization analysis.

Findings are rated based on a risk assessment that takes into consideration the circumstances of the current condition including compensating controls and the potential impact on reputation and customer confidence, safety and health, finances, productivity, and the possibility of fines or legal penalties. It also considers the impact.

See Appendix A for additional details on work performed.

[1] SuccessFactors is a countywide learning module used to provide and manage employee training.

6 of 10 Original Audit Findings Have Been Fully Resolved

1 of 1 High Risk Findings Fully Resolved

High risk findings indicate an immediate and significant threat to one or more of the impact areas.

5 of 6 Medium Risk Findings Fully Resolved

Medium risk findings indicate the conditions present a less significant threat to one or more of the impact areas. They also include issues that would be considered high if one control is not working as designed.

0 of 3 Low Risk Findings Fully Resolved

Low risk findings are typically departures from best business practices or areas where effectiveness, efficiency, or internal controls can be enhanced. They also include issues that would be considered high or medium risk if alternate controls were not in place.

Outstanding Findings

Departments Are Not Notifying Automotive Services of Changes in Vehicle Assignments

Corrective Action Status: **Partially Resolved**

In the original audit, we found discrepancies in vehicle classification and unit number assignments in the Automotive Services' Take-Home Vehicle Master Log[2]. Administrative Guideline 6 requires departments to notify Automotive Services of take-home vehicle assignment changes within five working days.

Automotive Services reminds departments of the reporting requirement in the take-home vehicle application approval memo. In the original audit, this reminder was towards the bottom of the approval memo but has since moved towards the top of the memo.

We sampled 3 departments, representing 134 of the 198 take-home vehicles recorded in the Automotive Services' Master Log. Of the 134 entries tested, we found 3 discrepancies in vehicle/driver assignments as follows:

1. **VEHICLE ASSIGNMENT DISCREPANCY**: One sampled department had a vehicle listed as unassigned, but the Automotive Services Master Log indicated that the vehicle was assigned to an employee who, without Automotive Services' knowledge, separated in April 2025. At the time of review (July 2025), the department had not informed Automotive Services of the change, as they were waiting to fill the position.

2. **REPLACEMENT VEHICLES DISCREPANCY**: Two replacement vehicles were not listed in the Take-Home Vehicle Master Log. Automotive Services assisted in the disposition of the old vehicles and updated the inventory fleet management software with the replacements but did not update the Take-Home Vehicle Master Log due to minor oversight.

Since discrepancies remain between department records and Automotive Services' records, we consider this finding partially resolved. However, we do not offer additional audit

[2] Automotive Services maintains a listing of take-home vehicle assignments. This listing is used to help manage the take-home fleet and includes vehicle number, driver name and assigned department. This listing is supplemental to their fleet management system which has details on each County vehicle, including take-home vehicles.

recommendations, as Automotive Services has made sufficient progress in implementing corrective actions.

Employees are Not Following Commuting Usage Policies

Corrective Action Status: **Partially Resolved**

The County must include commuting usage as a non-cash benefit for employees who are assigned a take-home vehicle[3]. In the original audit, we found:

- A standardized commute usage form was not used among departments with take-home vehicles.
- The Comptroller's Office could not enforce due date requirements since the commute usage forms did not have a submittal date field.
- One employee did not report commuting usage.
- Commute usage logs did not match usage in the GPS system for 5 tested employees.
- One employee listed on the benefit calculation spreadsheet was not assigned to the vehicle listed on the form.

Since the original audit, Automotive Services has implemented a standard commuting usage form with a submission date field and examples of reportable commuting events. The commuting usage form includes a disclosure that an employee who fails to comply with the 5-day reporting requirement may lose their take home vehicle privilege.

Automotive Services also proposed additional language to County's Vehicle Administrative Guidelines that includes department's responsibility for verifying commuting form:

> *"Departments shall implement a process to verify the accuracy of commuting usage report, and that all employees required under IRS Title 26 are reporting usage to the Comptroller's office."*

We tested 5 employees assigned a take-home vehicle (*out of 198 take home-vehicles*) and found that all employees submitted the correct form and within the required time frame. We also identified three minor errors as follows:

[3] 26 CFR § 1.274-6T(a)(3)(F) states that an employer must account for an employee's commuting use of a company vehicle by including the commuting value in the employee's gross income. https://www.ecfr.gov/current/title-26/chapter-I/subchapter-A/part-1/subject-group-ECFR210006225231fb0/section-1.274-6T

1. **CREDITED FOR COMMUTING USE DURING LEAVE**: One employee marked a roundtrip commute on a day when they were on leave and the vehicle was not used. As a result, they received $3 additional non-cash commuting benefit for that day.

2. **COMMUTE BENEFIT CALCULATION DISCREPANCY:** One employee marked a one-way commute on the day their take-home vehicle was brought into the department's central location (*prior to employee going on leave*) and was credited for a round-trip commute. As a result, they received $1.50 additional non-cash commuting benefit for that day.

   Another employee received a round-trip commute benefit on a day that was not marked as having a commute (*on the commuting form*) because the form indicated miles driven. These miles were accrued when the vehicle was brough to the department from the County's maintenance facility (*not by the employee*). As a result, the employee received $3 additional non-cash commuting benefit for that day.

We believe these errors are minor and should be resolved when departments implement a review of the commuting logs prior to Comptroller submission. Because of the discrepancies, we consider this finding partially resolved. However, we do not offer additional audit recommendations, as Automotive Services made sufficient progress in implementing corrective actions.

Automotive Services Is Not Reviewing Vehicle Utilization

Corrective Action Status: **Partially Resolved**

In the original audit, we found that Automotive Services had not performed a take home vehicle utilization analysis [4] since fiscal year 2020. Automotive Services stopped analyzing vehicle utilization due to the COVID-19 pandemic and had not restarted the review as of the time of the original audit (*July 2023*). Further, we found that Automotive Services did not have formal written procedures for performing the analysis.

Automotive Services has since established written procedures for performing utilization analysis, and the new telematics software includes reporting tools to analyze utilization. The analysis for Fiscal Year 2024 was performed by an employee

[4] The purpose of the vehicle utilization analysis is to evaluate the usage of fleet vehicles to identify underused assets, support data-driven fleet management decisions, and optimize operational efficiency.

who is no longer with Automotive Services. As a result, Automotive Services could not provide documentation confirming the analysis, citing potential loss of records due to the staffing change. Because of this, we consider the finding partially resolved. However, we do not offer additional audit recommendations, as Automotive Services has made sufficient progress in implementing corrective actions.

Separated Employees and Inactive Users Retained Access to the GPS Application

Corrective Action Status: **Partially Resolved**

In the original audit, we found:

- Two retired employees with access to the GPS software.
- 30 users that had not logged into GPS within the past 60 days but still retained access.
- No formal policy for reviewing access to the application.
- The password complexity configuration for the GPS software did not meet Clark County Technology Directives and the password change frequency for the GPS software could not be confirmed; therefore, we could not verify it complied with TD1.

Automotive Services has since moved to a new telematics monitoring solution[5] (*GPS software*). We performed testing on the new application, Motive, and found that all previous issues (*related to the GPS software*) were resolved with the exception of the password change frequency.

The Motive application meets the County's password complexity requirement but does not have a password expiration setting. As such, the application does not meet the County's security requirements for password change frequency.

Automotive Services is in preliminary stages of exploring whether it can configure a single sign-on option[6] to meet the County's password change frequency requirement. Since the password change frequency has not been configured, we consider the finding partially resolved. However, we do not offer additional audit recommendations,

[5] The Board of County Commissioners awarded the bid for telematics monitoring services to Motive Technologies, Inc on March 18, 2025.
[6] Single sign-on is an authentication method that allows users to sign in using one set of credentials to multiple independent software systems. Motive allows for this type of sign in.

as Automotive Services has made sufficient progress in implementing corrective actions.

Appendix A: Audit Scope, Methodology, and GAGAS Compliance

Scope

The follow up audit covered the period from May 1, 2025, through July 31, 2025. We considered processes in place as of July 31, 2025. The last day of field work was August 5, 2025.

Methodology

To accomplish our objectives, we interviewed staff and management from Automotive Services to obtain the status of the findings included in the original audit. We then performed the following procedures:

- Verified that Automotive Services updated the initial and renewal take-home vehicle applications to include a section where an applicant's supervisor verifies that they are in possession of an unexpired driver's license. Verified that the new applications have been posted on the Automotive intranet and made available to the departments.
- Reviewed the reportable safety alerts in the telematics monitoring application (*GPS software*) to determine whether sufficient safety events are being reported and verified that alerts are being transmitted via automated e-mail notifications.
- Used professional judgement to select 3 departments (*out of 13 departments with take-home vehicles not including Department of Aviation*) to survey whether they were utilizing automated alerts and/or supplemental safety reporting from the telematics monitoring application.
- Used professional judgement to select 6 employees assigned to one of the 198 take-home vehicles (*as of May 29, 2025)* to determine whether the employee exhibited poor driving behavior based on reporting from the telematics monitoring application.
- Reviewed proposed language changes to Administrative Guideline 6 to determine whether updates incorporated departmental responsibility for reviewing improper take-home vehicle usage.
- Used professional judgment to select 4 consecutive pay periods (*May 10, 2025, through July 4, 2025*) and 5 employees assigned one of the 198 take-home

vehicles (*as of May 29, 2025*). Reviewed each employee's driving activity to determine whether the vehicle was used solely for County business and allowable de minimis personal use[7].

- Identified four Family Services employees assigned take-home vehicles who had more than 14 consecutive days of leave between January 1 and June 30, 2025. If the vehicle was used during their absence, verified that documentation was available to support temporary reassignment and usage by another employee.
- Verified whether Clark County Fire implemented written policies and procedures covering their process for monitoring take home vehicles for improper usage.
- Used professional judgment to select 3 of 13 departments with take-home vehicles (*excluding the Department of Aviation*). Reviewed 134 vehicle assignments corresponding to the selected departments to determine whether vehicle numbers and driver names matched between departmental records and Automotive Services' Take-Home Vehicle Master Log.
- Used professional judgement to select 20 employees assigned to one of the 198 approved take home vehicles (*as of May 29, 2025*) to determine whether they were current on defensive driving requirements (*as of June 2, 2025*.)
- Verified that the newly implemented standardized commuting usage form included a submission date field.
- Used professional judgement to select 5 employees assigned one of the 198 take-home vehicles (*as of May 29, 2025*) to determine whether:
    - Updated commuting forms were submitted for the month of May 2025 within the required five-day timeline.
    - Commuting days were reported accurately based on number of days driven, as recorded by the telematics monitoring application.
    - Commuting benefits were calculated correctly in accordance with Internal Revenue Service commuting benefit rules.
- Verified policies were drafted addressing vehicle utilization analysis and a utilization analysis was performed for Fiscal Year 2024.
- Used professional judgement to select 10 user accounts from the telematics monitoring application (*out of 202 active users*) to determine whether their

[7] Administrative Guideline 6 states that an employee may not use a take-home vehicle personal purpose, other than commuting, and de minimis personal use such as a stop for lunch between two business stops.

access was appropriate based on their employment status.
- Tested all 202 active user accounts in the telematics monitoring application to verify that accounts inactive for over 60 days were suspended in accordance with County Information Technology directives.
- Verified whether policies were drafted addressing a periodic user account review for the telematics monitoring application.
- Verified whether the telematics monitoring application's password complexity and change frequency settings comply with Clark County Information Technology directives.

While some samples selected were not statistically relevant, we believe they are sufficient to provide findings for the population as a whole.

Our review included an assessment of internal controls in the audited areas. Any significant findings related to internal control are included in the detailed results.

Standards Statement

We conducted this performance audit in accordance with generally accepted government auditing standards (GAGAS). Those standards require that we plan and perform the audit 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. Our department is independent per the GAGAS requirements for internal auditors.

Appendix B: Automotive Services Audit Response Letter

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memorandum

Shauna Bradley
RPM Director

Josh Erickson
RPM Deputy Director

John Advent
RPM Deputy Director

Jeff Benites
Manager of Automotive

TO: Felix Luna, Daniel Partida, Mary Yanez - Clark County Internal Auditors

FROM: Jeff Benites, Manager of Automotive Services

SUBJECT: Take Home Vehicle Follow Up form 2023 Audit

DATE: August 28, 2025

This memo is in response to the issues identified in the Follow-Up Audit dated October 2025 regarding Take Home Vehicles (THV).

1. **Telematics Monitoring Solution**
   A new telematics system with automated safety alerts and driving history has been implemented. Technology in this area has advanced significantly since the last contract, with improved features powered by artificial intelligence (AI).

- Vehicles equipped only with a gateway unit will record and provide safety scores for events such as:
  - Speeding (11 mph over the posted limit, or exceeding 80 mph for more than 30 seconds).
  - Harsh braking, harsh acceleration, hard cornering, or leaving a geofenced County boundary.
- Vehicles equipped with AI-enabled forward-facing cameras (currently 100 units on trial) record all of the above events plus: stop sign violations, unsafe following, unsafe parking, unsafe lane changes, collisions/near collisions, and distracted driving. These cameras also feature a driver-activated panic button that immediately sends an alert.

2. **Employee Driver's License Verification**
   This issue has been resolved. Updated Take Home Vehicle applications now require supervisors to verify driver's licenses before submission for review and approval.

3. **Monitoring Unsafe Driving Behavior**
   The new telematics system provides real-time driving scores and detailed reports. Department designees can review and address poor driving habits proactively.

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4. **Policies and Procedures for Employees on Leave**
Automotive Services implemented the 2023 audit recommendation by updating Administrative Guidelines 6 and 15. These revisions are currently under review by Administrative Services for approval.

5. **Notification of Vehicle Assignment Changes**
It is accurate that some departments have not consistently notified Automotive Services when Take Home Vehicle status changes. While annual reminder letters are sent to department heads, additional emphasis from top management is necessary to ensure compliance with this requirement.

6. **Defensive Driving Course Requirements**
Although Automotive Services runs weekly reports to identify expiring Defensive Driving certifications, compliance ultimately remains the responsibility of each department. Supervisors have full visibility into employee training requirements through Success Factors and should address deficiencies directly.

7. **Commuting Usage Policies**
A standardized Commuting Log has been developed in Excel format, shared with Fleet Coordinators, and posted on the Automotive internal site. Proposed updates to Administrative Guideline 6 have also been submitted to strengthen reporting requirements.

8. **Vehicle Utilization Review**
Since the 2023 audit, Automotive Services has created policies and procedures for monitoring under-utilized vehicles. We continue to work with departments to address utilization concerns.

9. **GPS Application Access for Separated or Inactive Employees**
This issue has been addressed with the implementation of the new telematics dashboard. Access was rebuilt from the ground up, with Vehicle Fleet Coordinators confirming staff access. Automotive Services is also working with the vendor and IT to implement single sign-on (SSO), ensuring alignment with County IT security policies.

Conclusion

Automotive Services acknowledges the findings outlined in the audit and has taken meaningful steps to improve oversight, compliance, and accountability for the Take Home Vehicle program. We thank the Audit Team for their diligence and recommendations, which support our continued progress in strengthening program integrity.

Jeff Benites