

**STATE OF NEBRASKA
ATTESTATION REVIEW
OF
STATEWIDE VEHICLES**

JULY 1, 2007 THROUGH JUNE 30, 2008

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Issued on December 14, 2009

STATE OF NEBRASKA STATEWIDE VEHICLES
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Independent Accountant's Report

We have reviewed both, ownership of vehicles by State agencies and various vehicle records, as well as compiled financial-related data regarding usage and maintenance procedures of vehicles by the Nebraska Department of Administrative Services – Transportation Services Bureau (TSB) and all other State agencies, for the period July 1, 2007, through June 30, 2008. TSB's and all other State agencies' management are responsible for State-owned vehicle records, vehicle usage, and maintenance. We did not obtain a written assertion regarding such matters from management.

Our review was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States. A review is substantially less in scope than an examination, the objective of which is the expression of an opinion on the ownership of vehicles by State agencies, as well as compiled financial-related data regarding usage and maintenance procedures of vehicles. Accordingly, we do not express such an opinion.

Based on our review, nothing came to our attention that caused us to believe that the ownership of vehicles by State agencies and various vehicle records, as well as compiled financial-related data regarding usage and maintenance procedures of vehicles, are not presented, in all material respects, in conformity with the criteria set forth in the Criteria section.

In accordance with *Government Auditing Standards*, we are required to report findings of deficiencies in internal control, violations of provisions of contracts or grant agreements, and abuse that are material to TSB's and all other State agencies' ownership of vehicles and various vehicle records, as well as compiled financial-related data regarding usage and maintenance procedures of vehicles, and any fraud and illegal acts that are more than inconsequential that come to our attention during our review. We are also required to obtain the views of management on those matters. We did not perform our review for the purpose of expressing an opinion on the internal control over TSB's and all other State agencies' ownership of vehicles by State agencies and vehicle records, as well as compiled financial-related data regarding usage and maintenance procedures of vehicles, or on compliance and other matters; accordingly, we express no such opinions.

Our review disclosed no findings that are required to be reported under *Government Auditing Standards*. However, we noted certain other matters, and those findings, along with the views of management, are described below in the Summary of Results.

This report is intended solely for the information and use of the citizens of the State of Nebraska, management of TSB and all other State agencies owning vehicles, others within TSB and all other State agencies, and the appropriate Federal and regulatory agencies. Although it should not be used by anyone other than these specified parties, this report is a matter of public record and its distribution is not limited.

Signed Original on File

Mike Foley
Auditor of Public Accounts

Don Dunlap, CPA
Assistant Deputy Auditor

December 14, 2009

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Background

As of June 30, 2008, the State of Nebraska owned 8,207 motorized vehicles with a total original purchase cost of \$218,891,281. This included 4,958 passenger vehicles with a total original purchase cost of \$91,232,177 and 3,249 special-use vehicles with a total original purchase cost of \$127,659,104. Passenger vehicles and special-use vehicles are not comprehensively defined by statute. For this report, we have defined passenger vehicles as vehicles with a primary purpose of transporting employees to their job locations. Passenger vehicles include cars, vans, SUVs, and pickup trucks. We have defined special-use vehicles as maintenance, construction, and specialty vehicles. Special-use vehicles include motorcycles, buses, tractors, heavy equipment, large trucks, and other specialty vehicles. Our report focuses on passenger vehicles. The following table shows the breakdown of the total passenger vehicles by type.

State Owned Passenger Vehicles

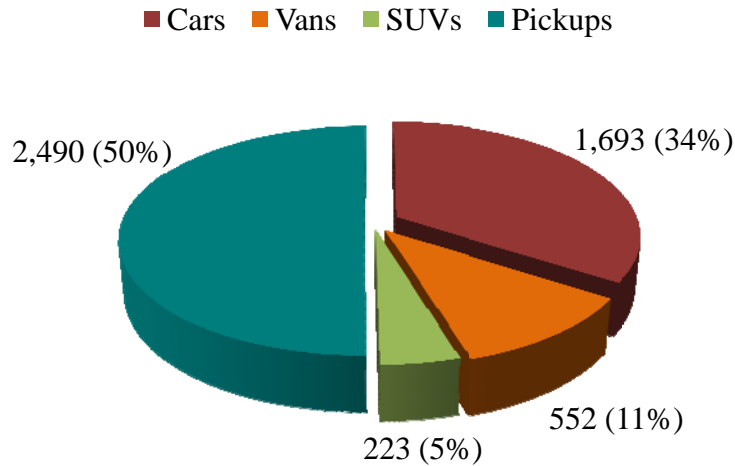


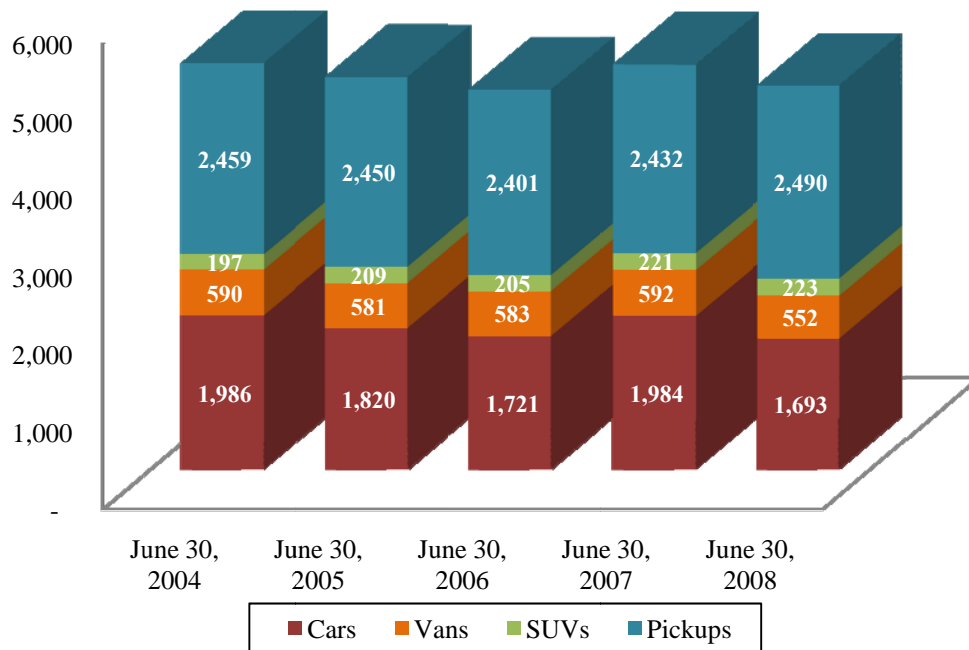
Exhibit A is a listing of the type of vehicles owned by 26 State agencies as of June 30, 2008. The following table is an abridged summary thereof.

Agency	Number of Passenger Vehicles	Number of Special-use Vehicles	Total Number of Vehicles	Percentage of Total Vehicles	Total Purchase Costs
Department of Roads	1,261	1,731	2,992	37%	\$ 132,334,601
Game and Parks Commission	710	742	1,452	18%	\$ 22,633,550
Department of Administrative Services	1,095	45	1,140	14%	\$ 17,695,723
University of Nebraska	715	342	1,057	13%	\$ 19,679,384
State Patrol	822	13	835	10%	\$ 17,239,423
Department of Health and Human Services	157	130	287	3%	\$ 3,124,721
Other Agencies	198	246	444	5%	\$ 6,183,879
Total	4,958	3,249	8,207	100%	\$ 218,891,281

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Exhibit B is a listing of State-owned passenger vehicles: 1) on hand as of July 1, 2003; 2) purchased and surplused each fiscal year through June 30, 2008; and 3) on hand as of June 30, 2008. The following chart is a summary of Exhibit B.

**Historical Passenger Fleet Size
by Vehicle Type**



As noted in Exhibit A, 26 agencies owned passenger or special-use vehicles as of June 30, 2008.

- Department of Administrative Services – Transportation Services Bureau (TSB) holds title to approximately 14% of all State-owned vehicles. The majority of these vehicles were permanently assigned by TSB to State agencies, on a monthly basis, for their use. The remaining vehicles were used to operate a pool of vehicles for agencies that do not need a vehicle on a permanent basis. TSB maintains both permanently assigned and pool vehicles. In order to maintain these vehicles, TSB operates a service garage in Lincoln that performs most of the service and repairs on TSB-owned vehicles. TSB’s garage performs some maintenance on other agency-owned vehicles when requested.
- The approximately 86% remaining State-owned vehicles were titled to 25 other State agencies. These other agencies operate autonomously, determining their own vehicle utilization, operation, and service policies. Some of these agencies operate a pool of vehicles for their own use. Also, some agencies operate their own service areas to maintain their vehicles, while others have services and repairs performed by outside vendors.
- In addition to owning their own vehicles, some of the other 25 agencies use TSB permanently assigned or pool vehicles.

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Criteria

The criteria used in this attestation review were State statutes, good internal control procedures requiring an adequate segregation of duties, sound business practices, and agency policies and procedures.

Following are the main statutes considered:

- Neb. Rev. Stat. § 81-1008 (Reissue 2008) states:

“There is hereby created within the Department of Administrative Services the transportation services bureau which shall provide service and guidance to all state agencies in the utilization, operation and servicing of state-owned vehicles and the utilization of privately owned vehicles used for state purposes. The transportation services bureau shall be responsible for monitoring all transportation requirements of the state and maintaining complete records thereon.”
- Neb. Rev. Stat. § 81-1008.01 (Reissue 2008) states:

“The purpose of the transportation services bureau is to centralize title to and insure efficient utilization and proper maintenance of all state-owned passenger vehicles, and to provide vehicle transportation services to all state agencies, boards, and commissions.”
- Neb. Rev. Stat. § 81-1010 (Reissue 2008) indicates that the duties and responsibilities of the chief of the transportation services bureau include:

“(3) To repair, maintain, and lease to state agencies all vehicles owned by the transportation services bureau and approve the acquisition, sale, or trade of each and every state-owned vehicle made by the materiel division of the Department of Administrative Services...
(4) To consult with the various state agencies using state vehicles and write specifications for state-owned vehicles to be purchased by the materiel division;...
(8) To enter into service agreements for the repair and maintenance of bureau-controlled motor vehicles when it determines such action would be to the economic advantage of the state;...”
- Neb. Rev. Stat. § 81-1011 (Reissue 2008) states:

“State-owned vehicles are defined for the purpose of sections 81-1008 to 81-1017 as all vehicles acquired primarily for the purpose of transporting state employees in their official duties from one job location to another, but shall not include special-use vehicles, such as buses, laundry trucks, mail trucks, airport security vehicles, military trucks, and cars; vehicles which are considered a duty station, such as vehicles used by the Nebraska State Patrol, the Nebraska Oil and Gas Conservation Commission, or game wardens; or those vehicles which, by nature of their usage, require the installation or carrying of special equipment which precludes the use of such vehicles for multiple agency transportation usage.”
- Neb. Rev. Stat. § 81-1015 (Reissue 2008) states:

“Subject to the provisions of section 81-1013, the transportation services bureau shall own and hold title, in the name of the State of Nebraska, to all state-owned licensable passenger vehicles. All purchases of state-owned passenger vehicles and automotive equipment shall be made or approved by the transportation services bureau. The Director of Administrative Services shall not approve any voucher for the purchase of any passenger car unless submitted by the transportation services bureau.”

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- Neb. Rev. Stat. § 81-1017 (Reissue 2008) states:

“The provisions of sections 81-1008 to 81-1017 shall not apply to any court or the motor vehicles thereof, nor to vehicles acquired through the federal surplus property program, but such vehicles shall be titled as provided in section 81-1013.”
- Neb. Rev. Stat. § 81-1025 (Reissue 2008) states:

“(1) Each operator of a state-owned motor vehicle, except a special-use vehicle as prescribed in section 81-1011 or a motor vehicle in which a state agency holds the title, shall report the points between which the motor vehicle traveled each time used, the odometer readings at such points, the time of arrival and departure, the necessity and purpose for such travel, the license number of such motor vehicle, and the department to which such motor vehicle belongs. (2)(a) Each operator of a special-use vehicle as prescribed in section 81-1011 or a motor vehicle in which a state agency holds the title shall follow the policy and use the travel report form which shall be established by the director or designated head of the state agency owning such vehicle. The form shall include, but not be limited to, the name of the operator, the license number of the vehicle, the total daily mileage or total hours of daily operation, and any other information the director or designated head deems relevant. (b) State agencies leasing or renting motor vehicles from the transportation services bureau pursuant to sections 81-1008.01 and 81-1010 shall be required to report motor vehicle usage pursuant to subsection (1) of this section on travel forms prescribed by the chief of the transportation services bureau. (3) Such travel reports shall be transmitted at the end of each month by every operator to the director or designated head of the operator's state agency, and such reports, after review by the director or designated head of the agency, shall be retained by the agency except the travel reports on motor vehicles leased or rented from the transportation services bureau. The travel reports on motor vehicles leased or rented from the transportation services bureau shall be transmitted to the chief of such bureau on or before the seventh day of the month following such use of a motor vehicle. (4) Such travel reports shall thereafter be open to public inspection for a period of two years, after which they may be destroyed, except that when public inspection of a particular record would be detrimental to the investigation of a criminal case, such particular record shall be withheld from public inspection upon written certificate to that effect by the head of the law enforcement agency concerned. (5) For purposes of this section, state agency shall include an agency, department, board, bureau, or commission of the state except the transportation services bureau.”

Summary of Procedures

Pursuant to Neb. Rev. Stat. § 84-304 (Reissue 2008), the Auditor of Public Accounts (APA) conducted an attestation review of ownership of vehicles by State agencies and various vehicle records, as well as compiled financial-related data regarding usage and maintenance procedures of vehicles by TSB and all other State agencies that owned vehicles, for the period July 1, 2007, through June 30, 2008, in accordance with standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States. This APA attestation review consisted of the following procedures:

1. Testing as necessary to determine the current disposition of prior audit/attestation/evaluation comments and recommendations.
2. Application of certain tests and procedures in the review of accounting transactions. This included testing of expenditures to determine that they were valid and necessary, adequately documented, and in accordance with State statute.

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3. Testing of TSB’s fund balance and compliance with State and Federal regulations.
4. Documenting procedures and controls for purchasing, surplus, maintaining, and repairing State-owned vehicles.
5. Documenting the ownership and usage of State-owned vehicles.
6. Other testing as deemed necessary.
7. An exit conference was held on November 12, 2009, to discuss the results of this attestation review. Those in attendance were:

Name	Title
Administrative Services	
Steve Sulek	TSB Administrator
Roger Wilson	Controller
Paul Carlson	State Accounting Administrator
Mike Moerer	TSB Fleet Services Manager
Lynda Roesler	Internal Control Coordinator
Gregg Thuman	Budget Analyst
University	
Patrick Barrett	Transportation Director
Tish Gade-Jones	Sr. Internal Auditor
DHHS	
Bob Zagozda	Chief Operating Officer

The information provided in this attestation review is presented as two unique components of the whole, both serving distinct purposes.

- The first component (Summary of Results A) is comprised of our findings pertaining to agency ownership of vehicles, as well as agency compliance with specific requirements for the use and maintenance of those vehicles. This is the core of the attestation review.
- The second component (Summary of Results B), being supplementary in nature, is comprised of a compilation of financial-related data associated with State-owned vehicles, such as frequency of use and certain aspects of vehicle maintenance.

The purpose of providing this supplementary data is not to opine, either directly or otherwise, upon the propriety or efficiency of agency vehicle ownership or usage. Rather, we present this information without any such analysis or conclusions. We have provided this information to the Legislative Performance Audit Committee for further analysis, as that body deems appropriate. Additionally, we hope that this supplemental presentation of reliable and accurate financial-related raw data might serve, in support of any subsequent guidance offered by the Legislative Performance Audit Committee, as a valuable resource for the agencies in determining the optimum usage of their respective vehicles.

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Summary of Results A

This section of the summary of our attestation review contains the following findings and recommendations regarding agency compliance with applicable regulations concerning the ownership and use of vehicles:

1. Vehicle Ownership

Neb. Rev. Stat. § 81-1008.01 states:

“The purpose of the transportation services bureau is to centralize title to and insure efficient utilization and proper maintenance of all state-owned passenger vehicles, and to provide vehicle transportation services to all state agencies, boards, and commissions.”

Neb. Rev. Stat. § 81-1011 states:

“State-owned vehicles are defined for the purpose of sections 81-1008 to 81-1017 as all vehicles acquired primarily for the purpose of transporting state employees in their official duties from one job location to another, but shall not include special-use vehicles, such as buses, laundry trucks, mail trucks, airport security vehicles, military trucks, and cars; vehicles which are considered a duty station, such as vehicles used by the Nebraska State Patrol, the Nebraska Oil and Gas Conservation Commission, or game wardens; or those vehicles which, by nature of their usage, require the installation or carrying of special equipment which precludes the use of such vehicles for multiple agency transportation usage.”

Neb. Rev. Stat. § 81-1015 states:

“Subject to the provisions of section 81-1013, the transportation services bureau shall own and hold title, in the name of the State of Nebraska, to all state-owned licensable passenger vehicles. All purchases of state-owned passenger vehicles and automotive equipment shall be made or approved by the transportation services bureau. The Director of Administrative Services shall not approve any voucher for the purchase of any passenger car unless submitted by the transportation services bureau.”

As of June 30, 2008, a total of 4,958 passenger vehicles and 3,249 special-use vehicles were owned separately by 26 State agencies. See **Exhibit A**. TSB owned and held title to approximately 14% of these State vehicles. Based on our review of the above State statutes, it appears TSB should own and hold title to all State-owned licensable passenger vehicles. In addition, our review noted the following:

Special-use vehicles

- The 3,249 special-use vehicles were not State-owned passenger vehicles, as defined by Neb. Rev. Stat. § 81-1011. Because Neb. Rev. Stat. § 81-1015 pertains only to TSB ownership of State-owned passenger vehicles, other agencies may own and hold title to vehicles used primarily for special-use – as opposed to transportation – purposes.

Passenger Vehicles

The following findings may warrant further investigation and analysis by the Legislative Performance Audit Committee.

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- 17 vehicles were listed under the Department of Administrative Services. However, those vehicles were actually owned by and titled to divisions other than TSB, as follows:
 - Building Division owned and held title to 15 vehicles.
 - Materiel Division owned and held title to one vehicle.
 - Office of the Capitol Commission owned and held title to one vehicle.

The remaining 1,078 passenger vehicles owned by TSB were properly titled to it, as required under Neb. Rev. Stat. § 81-1015. **Exhibit A** reflects the total 1,095 passenger vehicles under the Department of Administrative Services.

- 285 passenger vehicles were owned by and titled to 14 different agencies. According to TSB, all of those vehicles fell within the special-use provision of Neb. Rev. Stat. § 81-1011. However, we were unable to verify the accuracy of TSB’s assessment. The following is the number of vehicles by agency in question:

Agency	Passenger Vehicles
Department of Education	4
Department of Revenue	1
Department of Aeronautics	5
Department of Agriculture	38
Department of Insurance	1
Department of Health and Human Services	157
Department of Natural Resources	1
Military	9
Brand Committee	4
Department of Corrections	51
Historical Society	7
Nebraska Energy Office	5
Criminal Justice Commission	1
Department of Environmental Quality	1
Total	285

- A small number of the 710 passenger vehicles owned by and titled to the Nebraska Game and Parks Commission (Commission) appear to have been allowed under Neb. Rev. Stat. § 81-1011 as game warden duty stations. However, it is unclear whether other Commission vehicles not used by game wardens were also allowed under the same statutory provision.
- 16 passenger vehicles were owned by and titled to the Board of Educational Lands and Funds. Although there appears to be no specific statutory provision permitting such ownership, the Attorney General’s analysis in Op. Att’y Gen. No. 082 (April 7, 1982) may be relevant.
- 715 passenger vehicles were owned by and titled to the University of Nebraska. Although there appears to be no specific statutory provision permitting such ownership, the precedent established by the Nebraska Supreme Court in *Board of Regents v. Exon*, 199 Neb. 146, 256 N.W. 2d 330 (1977) may be relevant.

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- 36 passenger vehicles were owned by and titled to the State Colleges. Although there appears to be no specific statutory provision permitting such ownership, the precedent established by the Nebraska Supreme Court in *Board of Regents v. Exon*, 199 Neb. 146, 256 N.W. 2d 330 (1977) may be relevant – especially, in light of the Attorney General’s analysis in Op. Att’y Gen. No. 89015 (March 20, 1989) and the Nebraska Supreme Court’s concurring opinion in *State ex rel. Spire v. Beermann*, 235 Neb. 384, 455 N.W.2d 749 (1990).
- 14 passenger vehicles were owned by and titled to the Secretary of State and Public Service Commission. Although there appears to be no specific statutory provision permitting such ownership, an informal Attorney General’s opinion to the Public Service Commission may be relevant.
- The Department of Roads (Roads) owned and held title to 1,261 passenger vehicles. According to Roads, those vehicles were allowed under Neb. Rev. Stat. § 39-1355 (Reissue 2008), which grants that department authority to purchase all needed equipment for the construction, reconstruction, maintenance, and control of the State highway system. However, we were unable to verify the accuracy of Roads’ assessment.
- The 822 passenger vehicles owned by and titled to the Nebraska State Patrol appear to have been specifically allowed under Neb. Rev Stat. § 81-1011 as duty station vehicles. In addition, Neb. Rev. Stat. § 81-2004.07 (Reissue 2008), which directs the Nebraska State Patrol Vehicle Replacement Cash Fund to be used to purchase motor vehicles for the Nebraska State Patrol, appears to support State Patrol ownership of vehicles.
- The 4 passenger vehicles owned by and titled to the Oil and Gas Conservation Commission appear to have been allowed under Neb. Rev. Stat. § 81-1011 as duty station vehicles.

Because our review could not determine conclusively that all State-owned passenger vehicles were owned and titled in accordance with statute, there may be concerns regarding specific agencies that need to be addressed.

We recommend the Department of Administrative Services review vehicle ownership by other State agencies to ensure such ownership and titling meets the requirements of Neb. Rev. Stat. §§ 81-1008.01 and 81-1015. Additionally, if that review cannot resolve satisfactorily the specific uncertainties noted, we recommend the Department of Administrative Services request the assistance of the Attorney General and, if needed, seek legislative action to clarify the meaning of the relevant statutes. Additionally, the Legislative Performance Audit Committee may wish to lend its expertise in addressing some of the uncertainties noted herein.

See Administrative Services’ responses on page 25.

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2. University of Nebraska Vehicle Records

Neb. Rev. Stat. § 81-1025(2)(a) requires each operator of a special-use vehicle as prescribed in § 81-1011 or a motor vehicle in which a State agency holds title to use the travel report form established by the director or designated head of the State agency owning such vehicle. The form must include, but is not limited to, the name of the operator, the license number of the vehicle, the total daily mileage, and any other information the agency director or designated head deems relevant. Subsections (3) and (4) of the same section of statute also requires the travel reports to be transmitted at the end of each month to the agency director or designee and held open to public inspection for a period of two years.

The University of Nebraska Lincoln's (UNL) transportation policy requires a monthly vehicle operation log to be maintained for every vehicle and signed by the driver for each date of travel. In addition, this policy allows the individual departments to submit mileage on-line and to keep the monthly mileage logs on file for five years. UNL's on-line system requires the submission of only the total monthly mileage.

Sound accounting practices require an entity's central accounting system to maintain complete and accurate capital asset information to ensure both correct financial reporting and proper control over all property and equipment. Sound business practices require policies and procedures to be in place for vehicle care, maintenance, and usage. These policies should include a timetable for oil changes and various inspections, as well as procedures to follow when vehicle repairs are needed.

Good internal controls and business practices require a system to be in place to track every repair or maintenance expense made to each vehicle owned. This system should allow for easy review to determine that expenses are not duplicative, excessive, or fraudulent. A computer system could flag any such suspect expenses.

During our review, we noted the following concerning the University's vehicle records:

- The University of Nebraska Medical Center (UNMC), the University of Nebraska Omaha (UNO), and the University of Nebraska Kearney (UNK) did not utilize vehicle travel usage reports for any of their passenger vehicles. UNMC, UNO, and UNK owned 48, 36, and 68 passenger vehicles, respectively, as of June 30, 2008.
- UNL did not utilize vehicle travel usage reports for all of its passenger vehicles. While there were vehicle reports for the 392 vehicles owned by UNL's Transportation Services Department, there appear to have been no vehicle reports for most of the 171 vehicles owned by other departments. UNL did not maintain vehicle usage reports, or the reports were incomplete, for 40 of the 75 vehicles tested.
- We were able to obtain vehicle mileage information from UNL's on-line system; however, when we attempted to verify this information with the actual vehicle usage reports, the mileage on 46 of the 75 vehicles tested did not agree to the on-line system mileage. Additionally, 12 on-line mileage totals could not be verified, as the departments did not have vehicle usage reports on file. Therefore, it appears that the on-line mileage information is very incomplete and inaccurate.

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- The University's central accounting system listing of capital assets did not include 45 passenger vehicles, with an estimated original cost of \$156,425, that are currently in the possession of the University; however, the system did include 11 passenger vehicles, with an original cost of \$111,404, that are no longer in the possession of the University. As a result, the University's vehicle assets were understated by approximately \$45,021. Note, the cost shown for the 45 vehicles not included in the accounting system is small, as some purchases were for used vehicles and some purchase costs could not be determined.
- UNMC, UNO, and UNK did not have written policies for vehicle care, maintenance, and usage. Moreover, those same campuses lacked written policies pertaining to both the mandatory utilization and subsequent custodial management of vehicle care, maintenance, and usage reports.
- There was no computerized or manual system in place to track vehicle expenses and maintenance services for some vehicles at UNL and all vehicles at UNMC, UNO, and UNK. UNL's Transportation Services Department did maintain a computer system that included records of vehicle repairs on that Department's 392 passenger vehicles.

Without proper vehicle records, there is an increased risk of loss or misuse of State funds through fraud or inventory theft. Without proper policies and procedures for the maintenance and care of vehicles, there is an increased risk of loss or misuse of State funds and equipment.

We recommend that the University implement policies and procedures to ensure vehicle care, maintenance, and usage reports are maintained on all vehicles and submitted monthly to a designated individual. We also recommend that the University's central accounting system be updated to include among its list of capital assets all passenger vehicles in the possession of the University. We further recommend that all University campuses develop and implement policies and procedures for the care, maintenance, and usage of vehicles. Finally, we recommend that the University consider using the computerized fleet system maintained by UNL's Transportation Services Department to track vehicle expenses and maintenance services for all University vehicles.

See the University's response on page 26.

3. No Computerized System to Track Vehicle Expenses

Good internal controls and business practices require a system be in place to track every repair or maintenance expense made to each vehicle owned. This system should allow for easy review to determine that expenses are not duplicative, excessive, or fraudulent. A computer system could flag any suspect expenses.

As pointed out already, 26 agencies own vehicles. In reviewing the procedures used by each agency to track its own vehicle expenses and maintenance services, we noted the following:

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- Fifteen agencies tracked vehicle expenses using manual vehicle records.
- Four agencies, including the University, tracked vehicle expenses using a combination of computerized vehicle records and manual records.
- Six agencies tracked all of their vehicle expenses using computerized vehicle records.
- One agency had assigned its vehicles to another political subdivision, which was responsible for maintaining them. We do not know what kind of maintenance records were maintained by that subdivision.

The State currently has access to several software packages that could be used to track vehicle expenses, such as the Nebraska Information System applications, Equipment Asset Management System, CCG Faster Fleet Management System, and Manager Plus by QQUEST.

Our limited review of expenses noted no duplicate payments; however, without a computerized system to maintain vehicle expenses, there is an increased risk of loss or misuse of State funds through fraud or inventory theft.

We recommend the State consider obtaining a computerized fleet system for tracking any fleet expenses that could be used by all agencies.

See Administrative Services' response on page 25.

4. State College Vehicle Reports

Neb. Rev. Stat. § 81-1025(2)(a) requires each operator of a special-use vehicle as prescribed in § 81-1011 or a motor vehicle in which a State agency holds title to use the travel report form established by the director or the designated head of the State agency owning such vehicle. The form must include, but is not limited to, the name of the operator, the license number of the vehicle, the total daily mileage, and any other information the agency director or designated head deems relevant. Subsections (3) and (4) of that same section of statute also requires the travel reports to be transmitted at the end of each month to the agency director or designee and held open to public inspection for a period of two years.

We noted Wayne State College and Chadron State College did not utilize vehicle travel reports for any of their passenger vehicles. Wayne State College owned 13 passenger vehicles, and Chadron State College owned 12 passenger vehicles, as of June 30, 2008.

We recommend the State College System implement policies and procedures to ensure vehicle reports are maintained on all vehicles and submitted monthly to a designated individual.

See the State College System's response on page 28.

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5. Passenger Vehicle Purchases

We noted all passenger vehicles purchased for the period ended June 30, 2008, were made under State purchase agreements. We also noted that no unusual or luxury type vehicles were purchased.

The following table shows the 2008 model year vehicles purchased during the review period by agencies other than the University of Nebraska.

Vehicle Manufacturer	Vehicle Model	Acquisition Cost Low	Acquisition Cost High	Base Contract Amount	Maximum Contract Amount	Number Purchased	Total Dollar of Purchases	Agencies
Chevrolet	Cobalt	\$ 12,799	N/A	\$ 12,799	\$ 13,296	10	\$ 127,990	TSB
Chevrolet	Impala	\$ 15,597	\$ 15,797	\$ 15,597	\$ 17,582	25	\$ 392,125	Patrol, TSB, Roads, PSC
Dodge	Avenger	\$ 16,594	N/A	\$ 16,594	\$ 17,101	2	\$ 33,188	Patrol
Dodge	Charger	\$ 23,572	N/A	\$ 21,687	\$ 24,646	12	\$ 282,864	Patrol
Ford	Crown Victoria	\$ 20,687	\$ 21,444	\$ 21,249	\$ 30,644	64	\$1,356,759	Patrol, Brand
Ford	Fusion	\$ 15,692	N/A	\$ 15,692	\$ 16,272	3	\$ 47,076	Patrol
Chevrolet	Colorado	\$ 19,088	\$ 19,197	\$ 19,197	\$ 27,131	2	\$ 38,285	Patrol, TSB
Chevrolet	Silverado 1500	\$ 18,891	\$ 26,786	\$ 17,597	\$ 32,027	74	\$1,658,668	Energy, G&P, Roads, TSB, BELF, Patrol
Dodge	Dakota	\$ 22,662	N/A	\$ 22,662	\$ 24,142	8	\$ 181,296	Roads
Dodge	Ram 1500	\$ 20,451	\$ 21,380	\$ 20,451	\$ 28,067	24	\$ 492,229	Roads, TSB
Dodge	Ram 2500	\$ 20,167	\$ 25,580	\$ 19,207	\$ 28,024	5	\$ 111,661	BELF, TSB
Ford	F150	\$ 15,105	N/A	\$ 13,660	\$ 24,505	3	\$ 45,315	G&P
Ford	F250	\$ 21,040	\$ 36,090	\$ 23,625	\$ 45,190	53	\$1,435,799	Patrol, Aeron, Roads, Military, TSB, G&P
Ford	F350	\$ 31,920	\$ 36,799	\$ 28,179	\$ 43,399	8	\$ 274,431	G&P, Roads, DHHS
Chevrolet	Suburban	\$ 31,997	\$ 32,697	\$ 31,997	\$ 35,682	2	\$ 64,694	Patrol, Roads
Chevrolet	Trailblazer	\$ 20,367	N/A	\$ 20,367	\$ 24,373	4	\$ 81,468	Patrol
Chevrolet	Express 1500	\$ 27,019	N/A	\$ 16,954	\$ 19,572	2	\$ 54,038	Roads
Chevrolet	Uplander	\$ 16,997	\$ 17,797	\$ 16,997	\$ 21,656	9	\$ 153,773	TSB, Ag, Roads
Dodge	Durango	\$ 24,636	N/A	\$ 20,636	\$ 26,131	1	\$ 24,636	TSB
Ford	Escape	\$ 18,490	N/A	\$ 18,490	\$ 21,260	7	\$ 129,430	TSB, Ag, Roads
Ford	Explorer	\$ 20,685	N/A	\$ 20,685	\$ 25,830	4	\$ 82,740	Patrol
Ford	E350 Econoline	\$ 33,146	N/A	\$ 33,146	\$ -	1	\$ 33,146	DHHS
Total						323	\$7,101,611	

The following table shows the 2008 model year vehicles purchased during the review period by the University of Nebraska.

Vehicle Manufacturer	Vehicle Model	Acquisition Cost Low	Acquisition Cost High	Maximum Contract Amount	Number Purchased	Total Dollar of Purchases
Chevrolet	Impala	\$ 15,597	\$ 19,497	\$ 23,110	23	\$ 366,531
Chevrolet	Uplander	\$ 16,997	N/A	\$ 20,856	1	\$ 16,997
Chevrolet	Express	\$ 21,020	N/A	UNL Bid	14	\$ 294,280
Chevrolet	Colorado	\$ 17,278	\$ 19,197	\$ 27,131	2	\$ 36,475
Chevrolet	Silverado 1500	\$ 17,398	\$ 24,626	\$ 32,027	9	\$ 194,741
Chevrolet	Silverado 3500	\$ 31,442	N/A	\$ 48,929	1	\$ 31,442
Dodge	Ram 2500	\$ 17,899	N/A	\$ 28,024	1	\$ 17,899
Dodge	Ram 3500	\$ 30,597	N/A	UNL Bid	1	\$ 30,597
Ford	F150	\$ 13,987	N/A	\$ 24,505	6	\$ 83,922
Ford	F250	\$ 17,899	\$ 31,190	\$ 36,190	11	\$ 257,327
Ford	F350	\$ 30,294	\$ 40,627	\$ 43,399	3	\$ 102,125
GMC	Sierra 3500	\$ 27,192	N/A	UNL Bid	1	\$ 27,192
Total					73	\$ 1,459,528

STATE OF NEBRASKA STATEWIDE VEHICLES
ATTESTATION REVIEW

6. Commuting Using a State-Owned Vehicle

Governor’s Executive Order No. 99-01 was issued in April 1999. That directive limits the use of all State-owned vehicles to conducting official business of the State. More specifically, it prohibits driving a State-owned vehicle home except when: a) an employee is required by an agency head to perform work using a specially-equipped vehicle after-hours; b) an agency head approves a vehicle going home for one night, for a specific, scheduled event; c) an employee does not report to work at a specific location, but works out of his or her vehicle; d) Nebraska State Patrol emergency service personnel have the need to respond promptly to emergency situations; and e) pursuant to a written request made to the Director of Administrative Services, an agency head determines there is a special circumstance for an employee to take a vehicle home on a regular basis.

Nebraska State Accounting Manual, AM-005, Travel Expense Policies, Section 2, states “According to regulations issued by the Internal Revenue Service, certain responsibilities are required of employers who have employees that use State vehicles for commuting purposes. The regulation provides that a value of \$1.50 for a one way commute (\$3.00 for a round-trip commute) be added to the employee’s income.” This section also states that reporting is required when an employee uses a State-owned vehicle in commuting more than once a month.

Our review noted that the following commuting employee income was reported for the period of January 1, 2008, through December 31, 2008:

Agency	Number of Employees	Total Commuting Income Reported	Total Number of Trips	Average Number of Trips Per Employee
Supreme Court	24	\$ 6,449	4,299	179
Ethanol Board	1	\$ 88	59	59
Public Service Commission (Commissioners)	5	\$ 33,297	Note 1	Note 1
Public Service Commission (Employees)	4	\$ 364	243	61
Department of Revenue	6	\$ 1,090	727	121
Fire Marshal	2	\$ 671	447	223
Department of Roads	113	\$ 57,066	38,044	336
Game and Parks Commission	1	\$ 21	14	14
Oil and Gas Commission	2	\$ 729	486	243
Total	158	\$ 99,775	44,319	281

Note 1: Public Service Commissioners’ mileage reimbursements for trips from their homes to the Lincoln office are taxable income. The amounts shown are reimbursements for personal vehicle expenses and not commuting using a State-owned vehicle.

Note 2: This table includes only amounts of commuting income reported by agencies. It does not include any data for agencies whose employees use State-owned vehicles to commute but do not report such usage as income.

The Legislative Performance Audit Committee may wish to examine agency compliance with Executive Order No. 99-01.

See Administrative Services’ response on page 25.

STATE OF NEBRASKA STATEWIDE VEHICLES
ATTESTATION REVIEW

Summary of Results B

This section of our attestation review contains the following compilation of financial-related data pertaining to the miles driven and frequency of use, as well as certain aspects of maintenance, for State-owned vehicles. The purpose of providing this supplementary data is not to opine, either directly or otherwise, upon the propriety or efficiency of agency vehicle ownership or usage. Rather, we present this information without any such analysis or conclusions. We have provided this information to the Legislative Performance Audit Committee for further analysis, as that body deems appropriate. Additionally, we hope that this supplemental presentation of reliable and accurate financial-related raw data might serve, in support of any subsequent guidance offered by the Legislative Performance Audit Committee, as a valuable resource for the agencies in determining the optimum usage of their respective vehicles.

1. Vehicle Usage

State-Owned Vehicles, Excluding the University of Nebraska

The following table contains a summary of vehicle usage logs for 40 State-owned vehicles that were driven an average of less than 500 miles per month during the review period of July 1, 2007, through June 30, 2008. To determine the number of workdays these 40 vehicles were used, we reviewed the vehicle usage logs for the months of September 2007 and May 2008. This table focuses on only 40 low usage vehicles. The auditors actually found 951 passenger vehicles where average mileage was below 500 miles per month.

Agency	Vehicle Description	Average Monthly Mileage for the Review Period	Days Used Sept. 2007	Days Used May 2008	Average Days Used
Department of Agriculture	2006 Chevy Silverado	426	5	21	13.0
Department of Health and Human Services	2002 Ford Taurus	344	15	10	12.5
Department of Health and Human Services	1988 Ford Pickup	94	N/A	4	N/A
Department of Health and Human Services	1992 GMC Pickup	37	2	1	1.5
Department of Health and Human Services	1988 Chevy Pickup	13	1	1	1.0
Department of Health and Human Services	1998 Ford Pickup	213	19	21	20.0
Department of Health and Human Services	1996 Dodge Pickup	58	15	18	16.5
Department of Health and Human Services	1993 Chevy Suburban	112	2	3	2.5
Department of Health and Human Services	1975 Dodge Van	2	1	2	1.5
Department of Health and Human Services	1999 Dodge Maxi Van	103	3	0	1.5
Department of Health and Human Services	2000 Chevy Venture	204	8	5	6.5
Department of Roads	2000 Ford Taurus	232	0	0	0.0
Department of Roads	2000 Ford Taurus	472	3	0	1.5
Department of Roads	2000 Dodge Ram Pickup	200	2	0	1.0
Department of Roads	2000 Chevy Silverado 2500 Pickup	248	3	0	1.5
Department of Roads	2005 Dodge Ram Pickup	293	4	1	2.5
Department of Roads	1998 Chevy Silverado 3500 Pickup	337	6	14	10.0
Department of Roads	2004 Dodge Ram Pickup	382	3	12	7.5
Department of Roads	1995 Ford F350 Pickup	429	7	6	6.5

(Continued)

STATE OF NEBRASKA STATEWIDE VEHICLES
ATTESTATION REVIEW

Agency	Vehicle Description	Average Monthly Mileage	Days Used Sept. 2007	Days Used May 2008	Average Days Used
Department of Roads	1995 Ford F350 Pickup	469	11	17	14.0
Department of Roads	1998 Chevy Silverado 2500 Pickup	490	11	8	9.5
Department of Roads	2002 Dodge Grand Caravan	351	3	2	2.5
Military Department	1991 GMC Pickup	148	13	6	9.5
Game and Parks Commission	1984 GMC Pickup	18	0	19	9.5
Game and Parks Commission	1987 GMC Pickup	17	0	0	0.0
Game and Parks Commission	1990 Ford Ranger Pickup	31	1	1	1.0
Game and Parks Commission	1967 GMC Pickup	35	0	0	0.0
Game and Parks Commission	1979 Jeep	14	1	1	1.0
Department of Corrections	1995 Chevy Pickup	118	9	11	10.0
Department of Corrections	2005 Ford Pickup	241	15	18	16.5
Department of Corrections	1994 Dodge Ram Van	123	7	1	4.0
State Patrol	2000 Ford Crown Victoria	260	0	14	7.0
State Patrol	2000 Chevy Lumina	469	0	17	8.5
State Patrol	1997 GMC Pickup	191	0	0	0.0
State Patrol	2004 Chevy Blazer	427	18	20	19.0
State Patrol	2001 Ford Conversion Van	405	6	0	3.0
Department of Administrative Services*	2002 Taurus E85	302	3	8	5.5
Department of Administrative Services*	2005 Stratus	281	13	12	12.5
Department of Administrative Services*	2000 Ram 3500	417	5	2	3.5
Department of Administrative Services*	2007 Caravan E85	231	6	13	9.5

N/A – Monthly vehicle log not available.

* Department of Administrative Services vehicles listed were permanently assigned and not pool vehicles. The Department of Administrative Services has stated they reviewed vehicle use with leasing agencies. Each of these four vehicles, were identified as a result of this annual review process. Leasing agencies were informed and corrective actions were taken as a result of this established procedure.

University of Nebraska-Owned Vehicles

The following table contains a summary of vehicle usage logs for 28 of UNL-owned vehicles for the months of July 2007 and June 2008.

Vehicle Description	Average Monthly Mileage	Days Used July 2007	Days Used June 2008	Average Days Used
1997 GMC Suburban	-	N/A	N/A	N/A
2001 Chevy Suburban	451	7	N/A	N/A
2001 Chevy Lumina	152	N/A	N/A	N/A
2003 Chevy Silverado Pickup	324	6	4	5.0
1995 GMC Suburban	235	3	2	2.5
1977 Dodge Pickup	43	2	1	1.5
1991 Dodge D-150 Pickup	257	N/A	N/A	N/A
1995 Chevy C-30 Pickup	452	9	8	8.5
2001 Chevy C-1500 Pickup	212	N/A	17	N/A
1978 Dodge Pickup	459	5	2	3.5
1998 Chevy K30 Pickup	-	N/A	N/A	N/A
2005 Chevy Suburban	375	12	12	12.0
1996 GMC C30 Pickup	-	N/A	N/A	N/A
2002 Dodge Caravan	143	10	19	14.5
2002 Chevy Impala	63	N/A	N/A	N/A
2004 Chevy Impala	75	20	11	15.5

(Continued)

STATE OF NEBRASKA STATEWIDE VEHICLES
ATTESTATION REVIEW

Vehicle Description	Average Monthly Mileage	Days Used July 2007	Days Used June 2008	Average Days Used
2006 Ford Taurus	251	N/A	N/A	N/A
1995 Dodge D1500 Pickup	54	N/A	8	N/A
2003 Ford F250 Pickup	269	N/A	N/A	N/A
2002 Ford Taurus	205	N/A	N/A	N/A
2006 Chrysler PT Cruiser	344	N/A	N/A	N/A
1992 Chevy K10 Pickup	125	6	1	3.5
2006 Chrysler PT Cruiser	65	N/A	N/A	N/A
2007 Chevy Silverado Pickup	273	N/A	N/A	N/A
1979 Chevy Fleetside Pickup	-	N/A	N/A	N/A
1999 GMC Savana Van	432	N/A	N/A	N/A
2003 Chevy Silverado Pickup	202	N/A	N/A	N/A
2003 Chevy Silverado Pickup	89	N/A	N/A	N/A

N/A – Monthly vehicle log either unavailable or did not include details of daily usage.

See the University's response on page 27.

2. Tire Purchases

The General Services Administration (GSA), which manages the vehicle fleet for the Federal government, reports it has established written price agreements with national chains and repair shops. Under these price agreements, the GSA is able to obtain lower prices than national account pricing. Also, the National Association of State Procurement Officials (NASPO), of which Nebraska is a member, has a cooperative procurement contract for tire purchases.

During our review of State tire expenditures and procedures, we noted the following:

- The State did not have any formal purchase agreements for tires and was not participating in the NASPO tire contract.
- Forty-one other states had contracts or agreements for the purchase of tires.
- TSB was purchasing tires based on net state pricing established by the tire manufacturers. Net state pricing consists of voluntary discounts offered by certain vendors to large-scale purchasers. However, TSB did not have documentation on file to indicate the State actually received the special pricing. Our testing indicated the price paid for the identical model of tire varied throughout the year, while the net State price should have changed only annually.
- Other State agencies purchased tires based on either the best rate they could negotiate with vendors or what they believed was the net State price.
- The State did not receive the same price when the identical model of tire was purchased at different times during the review period. The following table illustrates examples of identical models of tires being purchased by different agencies, along with the sometimes varying prices paid by those agencies.

STATE OF NEBRASKA STATEWIDE VEHICLES
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Tire Size	National Agreement Cost	Department of Administrative Services Cost	Department of Roads Cost	University of Nebraska Cost	State Patrol Cost
LT225/75R16	\$ 82	\$ 89	\$ 84	N/A	N/A
P235/75R16	\$ 89	\$ 94	\$ 100	N/A	N/A
LT245/75R16	\$ 78	\$ 100	N/A	\$ 143	N/A
P215/60R16	\$ 59	\$ 74	N/A	\$ 74	N/A
P225/60R15	\$ 86	\$ 87	N/A	\$ 87	N/A
LT245/75R16	\$ 97	\$ 116	N/A	\$ 116	N/A
P225/60R16	\$ 79	N/A	N/A	\$ 82	\$ 82

The following table illustrates examples of the identical model of tire being purchased by the Department of Administrative Services at different times at different prices.

Tire Size	National Agreement Cost	Actual Cost 1	Actual Cost 2	Actual Cost 3	Actual Cost 4
P225/70R15	\$ 78	\$ 83	\$ 81	\$ 75	N/A
P245/75R16	\$ 89	\$ 89	\$ 83	\$ 74	N/A
LT245/75R16	\$ 83	\$ 90	\$ 85	\$ 85	\$ 89
P215/70R15	\$ 56	\$ 56	\$ 71	\$ 61	N/A
P215/60R16	\$ 65	\$ 100	\$ 71	\$ 72	\$ 69
LT225/75R16	\$ 89	\$ 112	\$ 104	N/A	N/A

See Administrative Services' response on page 25.

3. Parts and Services Purchases

The GSA reports it has established written price agreements with national chains and repair shops. Under these price agreements, the GSA is able to obtain lower prices than national account pricing.

During our review of State vehicle costs for parts and services, we noted the following:

- The State did not have any formal purchase agreements for parts, supplies, or services.
- Thirty-two other states had contracts or agreements for the purchase of parts and supplies.
- Twenty-three other states had contracts or agreements for the purchase of repair services.
- State agencies were purchasing parts, supplies, and services based on the best rate they could negotiate with vendors.
- The following table shows estimated total repairs and maintenance vehicle expenses for the fiscal year ended June 30, 2008, by agency, based on lines of coding in the State's accounting system.

STATE OF NEBRASKA STATEWIDE VEHICLES
ATTESTATION REVIEW

Agency	Total Vehicle Repairs and Maintenance Costs	Percentage of Total Repair Costs
Department of Health and Human Services	\$ 73,171	1%
Department of Roads	\$ 4,223,668	55%
Game and Parks Commission	\$ 356,423	5%
State Patrol	\$ 1,318,894	17%
Department of Administrative Services	\$ 355,621	5%
University of Nebraska	\$ 670,287	9%
All Other Agencies	\$ 653,866	8%
Total	\$ 7,651,930	100%

See Administrative Services' response on page 25.

Overall Conclusion

As of June 30, 2008, the State owned 8,207 motorized vehicles with an original purchase cost of nearly \$219 million including 4,958 passenger vehicles with a total original purchase cost of approximately \$91 million.

We could not determine whether the ownership and titling of passenger vehicles utilized by all State agencies has been carried out in accordance with statute.

The University of Nebraska lacked adequate policies and procedures for vehicle usage, including the use and maintenance of: 1) vehicle travel reports; 2) accurate accounting records; and 3) vehicle service and repair records.

Only 6 of 26 agencies that owned vehicles maintained a computerized system to track all vehicle expenses and maintenance services.

Additionally, we offer for review by the Legislative Performance Audit Committee, as well as by the various agencies concerned, a compilation of data regarding State-owned and titled agency vehicles by various agencies.

The APA staff involved in this review were:

- Don Dunlap, CPA, Assistant Deputy Auditor
- Tom Bliemeister, Auditor-In-Charge
- Dennis Sugden, Auditor II
- Joan Arnold, Auditor II
- Tom Goeschel, Auditor II

If you have any questions regarding the above information, please contact our office.

**STATE OF NEBRASKA STATEWIDE VEHICLES
NUMBER OF STATE-OWNED MOTOR VEHICLES**

As of June 30, 2008

Exhibit A

Agency	Cars	Vans	SUV's	Pickups	Total Passenger	Buses	Motorcycles ATV's	Mowers Tractors	Heavy Equipment	Large Trucks	Specialty Vehicles	Total Special-use	Total Vehicles	% of Vehicles	Purchase Costs
Secretary of State	-	1	-	-	1	-	-	-	-	-	-	-	1	0.01%	\$ 5,000
Department of Education	-	2	-	2	4	-	-	2	1	-	-	3	7	0.09%	\$ 72,894
Public Service Commission	10	3	-	-	13	-	-	-	-	-	-	-	13	0.16%	\$ 195,075
Department of Revenue	-	1	-	-	1	-	-	-	-	-	-	-	1	0.01%	\$ 10,125
Department of Aeronautics	-	-	-	5	5	-	-	5	15	4	2	26	31	0.38%	\$ 385,536
Department of Agriculture	-	22	3	13	38	-	-	-	-	7	-	7	45	0.55%	\$ 1,075,584
Fire Marshal	-	-	-	-	-	-	3	-	-	1	-	4	4	0.05%	\$ 56,329
Department of Insurance	1	-	-	-	1	-	-	-	-	-	-	-	1	0.01%	\$ 6,000
Department of Motor Vehicles	-	-	-	-	-	-	10	-	-	-	-	10	10	0.12%	\$ 20,144
Department of Health and Human Services	45	50	9	53	157	11	16	42	45	12	4	130	287	3.50%	\$ 3,124,721
Department of Roads	113	61	25	1,062	1,261	-	22	89	671	949	-	1,731	2,992	36.46%	\$ 132,334,601
Department of Natural Resources	-	-	-	1	1	-	1	-	-	-	-	1	2	0.02%	\$ 33,668
Military	1	-	1	7	9	-	1	21	1	-	1	24	33	0.40%	\$ 324,753
Board of Educational Lands and Funds	-	-	-	16	16	-	-	-	-	-	-	-	16	0.20%	\$ 361,876
Game and Parks Commission	15	40	36	619	710	1	136	263	245	97	-	742	1,452	17.70%	\$ 22,633,550
Brand Committee	-	-	-	4	4	-	-	-	-	-	-	-	4	0.05%	\$ 77,198
Department of Corrections	3	9	10	29	51	-	32	16	29	19	1	97	148	1.80%	\$ 2,302,530
State Colleges	-	4	3	29	36	1	30	25	10	4	-	70	106	1.29%	\$ 914,945
University of Nebraska	179	151	36	349	715	24	63	21	39	91	104	342	1,057	12.88%	\$ 19,679,384
Historical Society	-	2	1	4	7	-	-	3	-	-	1	4	11	0.13%	\$ 92,439
Oil and Gas Conservation Commission	-	-	-	4	4	-	-	-	-	-	-	-	4	0.05%	\$ 91,047
State Patrol	603	35	49	135	822	-	2	-	1	1	9	13	835	10.17%	\$ 17,239,423
Department of Administrative Services	722	171	50	152	1,095	-	9	15	18	3	-	45	1,140	13.89%	\$ 17,695,723
Nebraska Energy Office	-	-	-	5	5	-	-	-	-	-	-	-	5	0.06%	\$ 80,409
Criminal Justice Commission	1	-	-	-	1	-	-	-	-	-	-	-	1	0.01%	\$ 14,900
Department of Environmental Quality	-	-	-	1	1	-	-	-	-	-	-	-	1	0.01%	\$ 63,427
Total	1,693	552	223	2,490	4,958	37	325	502	1,075	1,188	122	3,249	8,207	100.00%	\$ 218,891,281

STATE OF NEBRASKA STATEWIDE VEHICLES
FIVE YEAR PASSENGER VEHICLE HISTORY BY AGENCY

Exhibit B

Fiscal Year Ended	June 30, 2008				June 30, 2007			June 30, 2006			June 30, 2005			June 30, 2004			July 1, 2003
	Ending Count	Surplused	Pending Surplus	Purchased	Ending Count	Surplused	Purchased	Ending Count	Surplused	Purchased	Ending Count	Surplused	Purchased	Ending Count	Surplused	Purchased	Beginning Count
Nebraska Energy Office																	
Pickups	5	-	-	2	3	-	-	3	-	-	3	-	-	3	-	-	3
Agency Total	5	-	-	2	3	-	-	3	-	-	3	-	-	3	-	-	3
Secretary of State																	
Vans	1	-	-	-	1	-	-	1	-	-	1	-	-	1	-	-	1
Agency Total	1	-	-	-	1	-	-	1	-	-	1	-	-	1	-	-	1
Department of Education																	
Vans	2	-	-	-	2	-	-	2	-	1	1	-	-	1	-	-	1
Pickups	2	-	-	-	2	-	1	1	-	-	1	-	-	1	-	-	1
Agency Total	4	-	-	-	4	-	1	3	-	1	2	-	-	2	-	-	2
Public Service Commission																	
Cars	10	1	1	2	10	1	1	10	3	1	12	1	2	11	2	1	12
Vans	3	1	-	-	4	1	2	3	-	-	3	-	-	3	-	1	2
Agency Total	13	2	1	2	14	2	3	13	3	1	15	1	2	14	2	2	14
Department of Revenue																	
Vans	1	-	-	-	1	-	-	1	-	1	-	-	-	-	-	-	-
Agency Total	1	-	-	-	1	-	-	1	-	1	-	-	-	-	-	-	-
Department of Aeronautics																	
Pickups	5	-	1	1	5	-	-	5	-	-	5	-	-	5	1	-	6
Agency Total	5	-	1	1	5	-	-	5	-	-	5	-	-	5	1	-	6
Department of Agriculture																	
Vans	22	-	4	5	21	-	3	18	1	2	17	1	5	13	1	6	8
SUV's	3	-	-	3	-	-	-	-	-	-	-	-	-	-	-	-	-
Pickups	13	1	-	-	14	1	-	15	-	5	10	1	1	10	1	1	10
Agency Total	38	1	4	8	35	1	3	33	1	7	27	2	6	23	2	7	18
Department of Insurance																	
Cars	1	-	-	-	1	-	-	1	1	-	2	-	1	1	-	-	1
Agency Total	1	-	-	-	1	-	-	1	1	-	2	-	1	1	-	-	1
Department of Health and Human Services																	
Cars	45	2	-	-	47	-	2	45	1	30	16	-	11	5	-	1	4
Vans	50	4	1	4	51	5	7	49	5	3	51	2	2	51	2	-	53
SUV's	9	-	-	-	9	1	-	10	-	-	10	-	4	6	-	3	3
Pickups	53	3	6	1	61	2	7	56	9	5	60	5	3	62	-	3	59
Agency Total	157	9	7	5	168	8	16	160	15	38	137	7	20	124	2	7	119
Department of Roads																	
Cars	113	14	2	9	120	19	8	131	43	12	162	64	12	214	27	11	230
Vans	61	1	2	3	61	4	2	63	9	6	66	13	14	65	8	6	67
SUV's	25	1	1	4	23	1	-	24	5	-	29	10	3	36	10	1	45
Pickups	1,062	40	66	149	1,019	68	78	1,009	131	105	1,035	139	118	1,056	69	100	1,025
Agency Total	1,261	56	71	165	1,223	92	88	1,227	188	123	1,292	226	147	1,371	114	118	1,367

(Continued)

STATE OF NEBRASKA STATEWIDE VEHICLES
FIVE YEAR PASSENGER VEHICLE HISTORY BY AGENCY

Exhibit B

Fiscal Year Ended	June 30, 2008				June 30, 2007			June 30, 2006			June 30, 2005			June 30, 2004			July 1, 2003
	Ending Count	Surplused	Pending Surplus	Purchased	Ending Count	Surplused	Purchased	Ending Count	Surplused	Purchased	Ending Count	Surplused	Purchased	Ending Count	Surplused	Purchased	Beginning Count
Department of Natural Resources																	
Vans	-	1	-	-	1	-	-	1	-	-	1	-	-	1	-	-	1
Pickups	1	-	-	-	1	-	-	1	-	-	1	-	-	1	-	-	1
Agency Total	1	1	-	-	2	-	-	2	-	-	2	-	-	2	-	-	2
Military Department																	
Cars	1	-	-	-	1	-	-	1	-	-	1	1	-	2	-	-	2
SUV's	1	-	-	-	1	-	-	1	1	1	1	2	-	3	-	-	3
Pickups	7	-	-	1	6	-	-	6	-	1	5	-	-	5	-	-	5
Agency Total	9	-	-	1	8	-	-	8	1	2	7	3	-	10	-	-	10
Board of Educational Lands and Funds																	
Pickups	16	-	-	4	12	1	-	13	4	2	15	5	4	16	2	2	16
Agency Total	16	-	-	4	12	1	-	13	4	2	15	5	4	16	2	2	16
Game and Parks Commission																	
Cars	15	1	-	-	16	-	1	15	2	-	17	2	-	19	1	-	20
Vans	40	2	-	-	42	-	1	41	4	4	41	-	4	37	1	1	37
SUV's	36	-	-	-	36	3	3	36	2	1	37	-	7	30	1	-	31
Pickups	619	15	12	12	634	23	30	627	53	35	645	31	52	624	36	23	637
Agency Total	710	18	12	12	728	26	35	719	61	40	740	33	63	710	39	24	725
Brand Committee																	
Cars	-	-	1	-	1	-	-	1	-	-	1	-	-	1	1	-	2
SUV's	-	-	-	-	-	-	-	-	1	-	1	-	-	1	-	-	1
Pickups	4	-	1	1	4	1	1	4	1	-	5	2	2	5	1	2	4
Agency Total	4	-	2	1	5	1	1	5	2	-	7	2	2	7	2	2	7
Department of Corrections																	
Cars	3	-	1	1	3	-	-	3	-	1	2	-	1	1	-	-	1
Vans	9	-	1	1	9	1	1	9	2	1	10	4	1	13	-	3	10
SUV's	10	-	-	-	10	1	2	9	2	1	10	2	3	9	-	1	8
Pickups	29	-	-	-	29	6	5	30	3	-	33	2	2	33	-	6	27
Agency Total	51	-	2	2	51	8	8	51	7	3	55	8	7	56	-	10	46
State Colleges																	
Cars	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1	-	1
Vans	4	-	-	1	3	1	-	4	-	-	4	-	1	3	-	1	2
SUV's	3	-	-	1	2	-	-	2	-	-	2	-	-	2	-	-	2
Pickups	29	-	-	2	27	3	1	29	2	6	25	1	4	22	-	-	22
Agency Total	36	-	-	4	32	4	1	35	2	6	31	1	5	27	1	1	27
University of Nebraska																	
Cars	179	4	-	23	160	30	29	161	23	22	162	22	24	160	21	19	162
Vans	151	3	-	16	138	7	12	133	12	15	130	7	8	129	11	13	127
SUV's	36	-	-	-	36	2	7	31	1	11	21	-	1	20	-	4	16
Pickups	349	9	-	39	319	25	32	312	50	38	324	38	32	330	33	42	321
Agency Total	715	16	-	78	653	64	80	637	86	86	637	67	65	639	65	78	626

(Continued)

STATE OF NEBRASKA STATEWIDE VEHICLES
FIVE YEAR PASSENGER VEHICLE HISTORY BY AGENCY

Exhibit B

Fiscal Year Ended	June 30, 2008				June 30, 2007			June 30, 2006			June 30, 2005			June 30, 2004			July 1, 2003
	Ending Count	Surplused	Pending Surplus	Purchased	Ending Count	Surplused	Purchased	Ending Count	Surplused	Purchased	Ending Count	Surplused	Purchased	Ending Count	Surplused	Purchased	Beginning Count
Historical Society																	
Cars	-	-	1	-	1	-	-	1	-	-	1	-	-	1	-	-	1
Vans	2	-	1	-	3	1	-	4	-	-	4	-	-	4	-	-	4
SUV's	1	-	-	-	1	1	-	2	-	-	2	-	-	2	-	-	2
Pickups	4	-	1	-	5	-	-	5	2	-	7	1	2	6	-	-	6
Agency Total	7	-	3	-	10	2	-	12	2	-	14	1	2	13	-	-	13
Oil and Gas Conservation Commission																	
Vans	-	-	-	-	-	-	-	-	1	-	1	-	-	1	1	-	2
Pickups	4	-	-	-	4	-	-	4	1	1	4	-	1	3	-	-	3
Agency Total	4	-	-	-	4	-	-	4	2	1	5	-	1	4	1	-	5
State Patrol																	
Cars	603	34	75	83	629	79	114	594	130	128	596	154	41	709	-	90	619
Vans	35	3	3	1	40	5	2	43	9	1	51	7	6	52	-	6	46
SUV's	49	2	8	9	50	4	9	45	3	2	46	3	11	38	-	5	33
Pickups	135	10	6	20	131	6	12	125	11	25	111	5	16	100	-	26	74
Agency Total	822	49	92	113	850	94	137	807	153	156	804	169	74	899	-	127	772
Department of Administrative Services																	
Cars	722	185	105	18	994	52	290	756	159	71	844	166	153	857	3	31	829
Vans	171	37	14	7	215	45	49	211	24	35	200	42	26	216	1	8	209
SUV's	50	2	4	3	53	5	13	45	7	2	50	12	12	50	-	7	43
Pickups	152	13	8	18	155	22	22	155	28	23	160	45	28	177	3	18	162
Agency Total	1,095	237	131	46	1,417	124	374	1,167	218	131	1,254	265	219	1,300	7	64	1,243
Criminal Justice Commission																	
Cars	1	-	-	-	1	1	-	2	2	-	4	1	-	5	-	-	5
Agency Total	1	-	-	-	1	1	-	2	2	-	4	1	-	5	-	-	5
Department of Environmental Quality																	
Pickups	1	-	-	-	1	-	-	1	-	-	1	-	1	-	-	-	-
Agency Total	1	-	-	-	1	-	-	1	-	-	1	-	1	-	-	-	-
All Agencies																	
Cars	1,693	241	186	136	1,984	182	445	1,721	364	265	1,820	411	245	1,986	56	153	1,889
Vans	552	52	26	38	592	70	79	583	67	69	581	76	67	590	25	45	570
SUV's	223	5	13	20	221	18	34	205	22	18	209	29	41	197	11	21	187
Pickups	2,490	91	101	250	2,432	158	189	2,401	295	246	2,450	275	266	2,459	146	223	2,382
All Agencies Total	4,958	389	326	444	5,229	428	747	4,910	748	598	5,060	791	619	5,232	238	442	5,028

Note: Surplused means vehicles that were no longer used or needed that were sold or destroyed.
If vehicle type is not listed, there was no activity by the Agency.

(Concluded)

STATE OF NEBRASKA STATEWIDE VEHICLES
ATTESTATION REVIEW

Administrative Services' Responses:

Summary of Results A – Vehicle Ownership:

“17 vehicles were listed...”

TSB believes under Statute 81-1011, these vehicles are correctly titled and classified as specialty vehicles and should not be included in the TSB fleet. Eleven of the vehicles are equipped to use snow plows, one is a two ton farm truck, one is an enclosed moving van, one is a mini-cargo van, two are used for maintenance and cargo transportation and one is specially equipped to facilitate the starting of vehicles and equipment on the State Surplus Property sales lot.

“285 passenger vehicles...”

Based upon justification provided at the time of acquisition, regarding the necessity for State owned transportation and the absence of other feasible options, these cases meet TSB's interpretation of “special use vehicles.”

“The 14 passenger vehicles...”

The vehicle owned by the Secretary of State is a cargo van used to transport boxes of documents.

Summary of Results A – No Computerized System to Track Vehicle Expenses

TSB uses the Nebraska Information System (NIS) to track TSB Fleet vehicles, to process all fleet related financial/billing transactions and for TSB's Preventive Maintenance Program.

Summary of Results A – Commuting Using a State-Owned Vehicle

Since Executive Order 99-01 was issued, TSB has and continues to work with agencies using lease and rental vehicles to inform them of Executive Order 99-01.

Summary of Results B – Tire Purchases

The State-wide use of vehicles and the need for immediate tire replacement in locations where vendor distribution options are limited prevents the use of a single vendor as a sole source. The option of a multi-state contract along with other considerations such as life cycle cost, specific application requirements and history of past performance should all factor into the final tire/vendor selection. The State is taking steps to provide the option of a multi-state contract to agencies and their fleet managers.

Summary of Results B – Parts and Services Purchases

As previously indicated in this review, Transportation Services Bureau operates its own service center where most repairs and preventive maintenance is performed. A letter of intent to participate has been signed for a multi-state contract for auto parts which is currently in the bidding process and has yet to be awarded.

STATE OF NEBRASKA STATEWIDE VEHICLES
ATTESTATION REVIEW

University's Responses:

Summary of Results A – University of Nebraska Vehicle Records

The University will re-emphasize to employees that usage logs on passenger vehicles must be maintained. Campuses will strengthen their procedures to ensure that vehicle inventories are compared to records in SAP on a regular basis. The use of fleet management systems will be examined and implemented where there is a cost-benefit to maintaining such a system.

The University disagrees with the observation that UNMC does not have a computerized system. The maintenance of vehicles is out-sourced to the private sector and computerized repair records are maintained by the vendor for free and 2.5 FTE formerly engaged in fleet management were eliminated.

For UNO and UNK, the University will review its tracking systems to ascertain that the cost of the system does not outweigh the benefits provided.

APA's Response: We reiterate, even special-use vehicles are required to maintain a travel report that includes, at a minimum, the name of the operator, the license number, and the total daily mileage.

STATE OF NEBRASKA STATEWIDE VEHICLES
ATTESTATION REVIEW

Summary of Results B – Vehicle Usage

Description of Vehicle Use

This vehicle is the oldest in use for transporting students at GPVEC, so it is used intermittently when the group is larger than the rest of their vehicles can accommodate. However, there are no other local options for accommodating overflow size groups.	1997	GMC	
Used for research purposes primarily during the growing season	2001	CHEVROLET	SUBURBAN
Sold Oct 2008 – was listed as pending disposal	2001	CHEVROLET	LUMINA
Pickup used at Gudmundsen Sandhills Lab for short trips around ranch, no highway miles. Used to feed livestock supplements.	2003	CHEVROLET	SUBURBAN
Removed from service fall 2009	1995	GMC	SUBURBAN
As shared with the auditor, this vehicle is owned by the Federal Government and should be removed from this listing.	1977	DODGE	PICKUP
Vehicle is used for checking livestock and water. Critical to ensuring animal care and maintenance but does not travel a lot of miles.	1991	DODGE	D-150
Specialized equipment vehicle with soil probe used for research purposes not general transportation	1995	CHEVROLET	C-30
Facilities maintenance – City and East Campuses	2001	CHEVROLET	C-1500
Pickup used to water arena surface in livestock pavilion, not general transportation	1978	DODGE	PICKUP
Tow vehicle for crash tests	1998	CHEVROLET	K30 TK3090
Seasonal usage at Cedar Point research center	2005	CHEVROLET	SUBURBAN
Tow vehicle for crash tests	1996	GMC	C30 TC3090
Family housing custodial maintenance – City and East Campuses	2002	DODGE	CARAVAN
Service vehicle used in daily trips for conducting physical audits – all UNL locations	2002	CHEVROLET	IMPALA
On campus computer maintenance – City and East Campuses	2004	CHEVROLET	IMPALA
On campus network maintenance – City and East Campuses	2006	FORD	TAURUS
Used for research purposes primarily during the growing season	1995	DODGE	D1500
Pickup used by feedlot to pull cattle trailer, not general transportation	2003	FORD	F250
Removed from department and reassigned	2002	FORD	TAURUS SE
On campus building maintenance – City and East Campuses	2006	CHRYSLER	PT CRUISER
Specialized equipment vehicle with soil probe used for research purposes not general transportation	1992	CHEVROLET	K10
On campus building maintenance – City and East Campuses	2006	CHRYSLER	PT CRUISER
On campus grounds maintenance – City and East Campuses	2007	CHEVROLET	SILVERADO
Removed from service fall 2009	1979	CHEVROLET	FLEETSIDE
Sold Oct 2008 – was listed as pending disposal	1999	GMC	SAVANA
Hazardous waste hauling truck – City and East Campuses	2003	CHEVROLET	SILVERADO
Hazardous waste hauling truck – City and East Campuses	2003	CHEVROLET	SILVERADO

STATE OF NEBRASKA STATEWIDE VEHICLES
ATTESTATION REVIEW

State College System's Response:

Summary of Results A – State College Vehicle Reports

The Nebraska State College System is working to implement policies and procedures to ensure vehicle reports are maintained in accordance with requirements.

Board of Educational Lands and Funds' Response:

Exhibit A – Number of State-Owned Motor Vehicles

Although the Statewide Vehicle report shows the Board of Educational Lands and Funds with 16 vehicles, the normal number of vehicles owned by the Board is 12. The variance shown is due to the time between the receipt of replacement vehicles and the scheduled surplus sale of the vehicles replaced.