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State Auditor Mike Foley Issues Report on Motor Vehicle Ownership and Usage

State Auditor Mike Foley announced today the release of an attestation review (audit) of State-owned motor vehicles. Data in the report shows the State owns over 8,200 vehicles, including almost 5,000 passenger vehicles (cars, vans, and pick-up trucks) and over 3,000 special-use vehicles (tractors, motorcycles, and construction vehicles).

The original purchase cost of all State-owned vehicles is roughly \$219 million, including \$91 million in passenger vehicles.

The report focuses largely on the financial aspects of the State's vehicle ownership and notes that certain efficiency issues discovered in the course of the audit work have been referred to the Legislature's Performance Audit Committee, which recently announced its intention to do follow-up audit work on the matter.

For the past forty years, the Transportation Services Bureau (TSB) has been required by law to serve as the centralized coordinator of all transportation requirements of the State. TSB is empowered to "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."

Nevertheless, a patchwork of conflicting statutes and legal rulings enacted over the years have enabled 25 additional State agencies to purchase and operate motor vehicles with little or no oversight by or coordination with TSB.

As a result, of the State's nearly 5,000 passenger vehicles, only about 22% are actually owned and titled through TSB.

The report documents that, in some instances, agencies do not have accurate records of what vehicles they own. For example, the auditors found that the University of Nebraska owned 715 passenger vehicles plus 342 special use vehicles. However, the University's accounting system did not record ownership of 45 of its passenger vehicles while 11 other passenger vehicles that the University no longer owns were included in its records.

The auditors also found that a state statute requiring specific vehicle usage data, such as name of operator and total daily mileage, was widely ignored. Vehicle maintenance practices and expenses were also not properly documented at many agencies. During the fiscal year examined by the audit, the report documents over \$7.6

million in vehicle repair and maintenance expenditures. Notable inconsistencies were found in the cost of tires and other parts and services purchased for the vehicles.

The report reveals that nearly 1,000 passenger vehicles are actually driven fewer than 6,000 miles per year, and dozens of specific instances are identified of vehicles being driven only a few miles per month and actually used only a few days per month. Foley noted, "Although some low-mileage or low-usage situations are understandable, these findings are ripe for further work by the Performance Audit Committee. A vehicle used only a handful of days per month may be a vehicle the State does not need to own, insure and maintain."

The report contains a number of summary tables showing which agencies own vehicles, the quantity and type of vehicles owned, and the costs of acquiring the vehicles. The report also contains a discussion of the use of State-owned vehicles for commuting by certain employees, pursuant to restrictions.

A copy of the full report is available on the Nebraska State Auditor's website, click on "What's New": <http://www.auditors.state.ne.us/>