



State of Wisconsin \ LEGISLATIVE AUDIT BUREAU

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DATE: April 26, 2004

TO: Senator Carol A. Roessler and
Representative Suzanne Jeskewitz, Co-chairpersons
Joint Legislative Audit Committee

FROM: Janice Mueller *Janice Mueller*
State Auditor

SUBJECT: Proposed Audit of the State's Vehicle Fleet—Background Information

At your request, we have gathered some background information the Joint Legislative Audit Committee may find useful in considering requests from several legislators for an audit of the State's vehicle fleet. Currently, state employees who travel on average more than 16,000 miles per year can be assigned a personal vehicle. Those employees who travel less can request vehicles from central pools operated by the Department of Administration, the University of Wisconsin campuses, and several other large state agencies. The Department of Administration reports there are over 7,000 vehicles, primarily cars and light trucks, at the state agencies and the University of Wisconsin campuses.

It has been widely reported in the media that the Department of Natural Resources (DNR) significantly increased its expenditures for vehicles in 2001 and 2002 as the State's budget situation was deteriorating. For example, DNR reportedly spent \$4.2 million for vehicle purchases in 2001 and \$6.1 million in 2002, a 45.2 percent increase. A total of 480 vehicles were purchased by DNR in this two-year period. These reports have prompted questions about the number of vehicles purchased by other agencies in recent years.

The Department of Administration is currently conducting a statewide review to assess vehicle use and compliance with state fleet regulations. However, because information relating to fleet operations is maintained in various data systems in several agencies, comprehensive information has been difficult to assemble. On April 16, 2004, the Governor directed the Department of Administration to freeze the purchase of new vehicles until its review is completed.

In addition, several incidents that received media coverage have prompted concerns about the personal use of state vehicles by state employees. For example, it was recently determined that the Attorney General had not reimbursed the State for personal use of a state car assigned to her, as required by state regulations. This has led to questions about whether other state employees with personally assigned vehicles are complying with reimbursement requirements, and whether they are driving a sufficient number of miles to warrant a personally assigned vehicle.

An audit of the State's vehicle fleet would cover all vehicles in all agencies and could include:

- an analysis of the number of vehicles owned and leased;
- a review of the specific types of vehicles, such as sedans, sport utility vehicles, and trucks;
- an assessment of how the total number of vehicles needed is determined;
- a review of bidding procedures used in purchasing and disposing of vehicles;
- a review of how decisions to personally assign vehicles are made and monitored, including how agencies determine whether it is less costly to pay employees mileage for use of their own personal vehicles rather than to purchase state vehicles;
- a determination of the extent to which state employees have reimbursed the State for personal mileage on state vehicles and whether existing policies appropriately limit the personal use of state vehicles;
- a review of the cost effectiveness of current maintenance processes, both those performed in-house and those contracted to outside vendors; and
- a review of best practices for fleet management used by other midwestern states.

If an audit of the State's vehicle fleet is directed, we would seek to coordinate our work with the Department of Administration's review to limit any duplication of effort.

If you have any questions regarding this request, please contact me.

JM/DB/ab

cc: Senator Robert Cowles
Senator Alberta Darling
Senator Jeffrey Plale
Senator Julie Lassa

Representative Samantha Kerkman
Representative Dean Kaufert
Representative David Cullen
Representative Mark Pocan

Representative Dan Meyer

Marc Marotta, Secretary
Department of Administration

Scott Hassett, Secretary
Department of Natural Resources

Katharine Lyall, President
University of Wisconsin System