



A Review of

The Comptroller of Public Accounts' Report on Employee Vehicle Expenses

September 28, 2004

Members of the Legislative Audit Committee:

The estimated costs for state employees' use of personal vehicles for state business that the Office of the Comptroller of Public Accounts (Comptroller) presented in a report titled *Mileage Reimbursement for Personally Owned or Leased Motor Vehicles* are reasonable. We based this conclusion on a review of the Comptroller's significant assumptions and data sources, as well as a review of the calculations the Comptroller used in preparing its cost estimates.

The General Appropriations Act (78th Legislature), Article IX, Section 5.04 (b), states that:

The Comptroller working with the review of the Office of the State Auditor shall perform a biennial study of the actual expenses associated with a state employee's use of a personally owned or leased motor vehicle. The Comptroller shall report the results of the study to the Legislature before the end of each even-numbered fiscal year. The study must report expense information in a manner useful to the Legislature for the establishment of the mileage reimbursement rates provide by Subsection (a) of this section.

The Comptroller's report presents historical information on the federal standard mileage rate established by the Internal Revenue Service and historical mileage reimbursement rates used in Texas; it also compares reimbursement rates used in Texas with reimbursement rates used in other states. The report presents estimates of the actual and current costs of state employees' use of personal vehicles based on several different calculation methods. We reviewed the significant assumptions and calculations the Comptroller used to prepare this report, as well as the data sources the Comptroller used in developing estimates of the actual and current costs associated with state employees' use of personal vehicles for state business in Texas.

Our conclusions are based on tests of the information the Comptroller used to prepare this report. However, we have not performed all of the tests and confirmations we would perform in an audit. If you have any questions, please contact Nick Villalpando, Audit Manager, at (512) 936-9500.

Sincerely,

Lawrence F. Alwin, CPA
State Auditor

cc: The Honorable Carole Keeton Strayhorn, Comptroller of Public Accounts
Mr. Billy Hamilton, Deputy Comptroller

SAO Report No. 05-004