



Inter-Departmental Communication

Office of the City Auditor

Date: March 11, 2009

To: Mayor Mark Funkhouser and Members of the City Council

From: Gary L. White, City Auditor

Subject: Take-Home Vehicles

I understand the issue of take-home vehicles was raised in recent public budget hearings. Information on take-home vehicles used by city employees and the Police Department is provided below.

Summary

Self-reported information indicates the city currently has 103 take-home vehicle assignments and the Police Department has 425. Since 2000, half as many city-owned vehicles are taken home, while the number of take-home police vehicles has increased. Both the city and police have criteria for justifying take-home vehicles that includes supervisor approval. Twenty-five of 83 vehicles assigned to city staff to respond to after-hours emergencies reported fewer emergency responses in 2008 than the minimum required to justify assignment of a take-home vehicle. For another 18 take-home vehicles assignments, the frequency of after-hour emergencies was not reported. A 2007 review of take-home vehicles by the Police Department's Internal Audit Unit identified three take-home vehicles lacking proper authorization. We estimate the commuting costs associated with all take-home vehicles was about \$1.6 million in calendar year 2008.

Work Performed

We reviewed our November 2000 take-home vehicle audit,¹ the city's administrative regulation related to take-home vehicles, and copies of the annual summaries of take-home vehicle use that departments submit to the Finance Department. Using these summaries, we developed a list of take-home vehicles by department. We also reviewed the Police Department's Internal Audit Unit's 2007 Take-Home Vehicle Audit, reviewed the department's procedural instruction related to take-home vehicles, and obtained the current number of take-home vehicles from the Police Department's Internal Audit Unit.

¹ *Citywide Management of Take-Home Vehicles*, City Auditor's Office, Kansas City, Missouri, November 2000.

Background

Departments assign city vehicles to employees to conduct after hours city business or respond to emergencies. The city's administrative regulation² outlines three conditions, one of which must be met, to determine whether an employee is eligible for long-term take-home use of a city vehicle.³

Each year, departments are required to submit a report to the Finance Department summarizing their use of city take-home vehicle assignments. This report allows department heads and the city manager to review take-home vehicle assignments and ensure compliance with tax regulations associated with use of a city vehicle for commuting purposes.

The Police Department's procedural instruction 05-01 outlines four criteria to determine justification for take-home vehicles: Stand-By, Call Back, High Visibility, and Security/Parking Issues.⁴ Bureau commanders are responsible for reviewing take-home vehicle assignments annually.

The procedural instruction also indicates that the Planning and Research Unit will provide a list of take-home vehicles, including assignment justification, to the police chief for approval. A 2007 report prepared by the Police Department's Internal Audit Unit indicates the number of take-home vehicles has increased since 2001. (See Exhibit 1.)

Exhibit 1. Police Department Take-Home Vehicles, FY 2001 - 2006

Fiscal Year	Chief's Office	Executive Services	Administration	Investigation	Patrol	Total Take-Home Vehicles
2001	7	29	30	149	136	351
2002	6	33	32	161	131	363
2003	31	33	32	166	135	377
2004	33	13	33	168	149	396
2005	33	13	32	154	153	385
2006	33	11	31	167	155	397

Source: *2007 Annual Take Home Vehicle Audit*, Internal Audit Unit, Kansas City, Missouri Police Department, June 18, 2007.

Results

Take-Home Vehicle Assignments

Exhibit 2 shows the number of take-home vehicles by department from our 2000 audit and those self-reported to Finance and the Police Internal Audit Unit in 2008. The number of city vehicles reportedly taken home has decreased by more than half since 2000.

² *Administrative Regulation 6-2*, "Use of City Owned/Leased Vehicles", May 1, 2005.

³ Frequent after-hours response and specialized vehicle, tools, or equipment; work assignments closer to home than where the vehicle is stored and specialized vehicle, tools, or equipment; or specific authorization by the fleet administrator.

⁴ *Procedural Instruction 05-01*, "Use of Department and Private Vehicles, Kansas City, Missouri Police Department, March 25, 2005.

Exhibit 2. Take-Home Vehicle Assignments by Department, 2000 and 2008.

Department	Take-Home Vehicles	
	2000 Audit	2008
Aviation	10	11
Codes	10	0
Environmental Management	3	0
Finance	1	0
Fire	32	30
General Services	0	5
Health	3	0
Neighborhood and Community Services	14	6
City Manager	3	1
Parks and Recreation	39	14
Public Works	54	6
Water	54	30
City-Owned Take-Home Vehicles	223	103
Police Take-Home Vehicles	374	425
Total Take Home Vehicles	597	528

Sources: *Citywide Management of Take-Home Vehicles*, City Auditor's Office, Kansas City, Missouri, November 2000; 2008 Annual Summaries of City-Owned Take-Home Vehicles submitted by city departments to the Finance Department; and the Police Department Internal Audit Unit.

Commuting Costs

Using the methodology developed in our 2000 audit of take-home vehicles, we estimate commuting costs associated with the 528 current take-home vehicles at over \$1.6 million per year. (See Exhibit 3.) There are also opportunity costs associated with take-home vehicles; additional mileage, a decrease in vehicles available to cover operational needs, and an increased risk of damage to city assets.

Exhibit 3. Estimated Commuting Costs for Take-Home Vehicle Assignments

Vehicles	Annual Commuting Miles ⁵	Total Annual Commuting Miles	Estimated Commuting Costs	
			Bureau of Transportation Statistics ⁶	IRS ⁷
City	103	5,487	\$ 305,752	\$ 308,013
Police	425	5,487	1,261,598	1,270,926
Totals	528	2,897,136	\$1,567,350	\$1,578,939

Source: City Auditor's Office calculations.

⁵ Average one-way commute within Kansas City, Missouri, is 12.13 miles according to data from the Mid-America Regional Council. Based on this data, we estimate 5,847 annual commuting miles per take-home vehicle.

⁶ The Bureau of Transportation Statistics estimated that the average cost of owning and operating an automobile in 2007 was \$.541 per mile.

⁷ The Internal Revenue Service allowed mileage reimbursements of \$.505 per mile from January 1, 2008 through June 30, 2008 and \$.585 per mile from July 1, 2008 through December 31, 2008. We averaged this rate at \$.545 per mile.

Justifications and Frequency of After-Hours Responses

Conditions for assigning a city-owned take-home vehicle include staff frequently responding to after-hours emergencies or off-site work areas. Frequently is defined as “An average of once every two weeks or twice a month on an annual basis.”⁸

Last year, 25 individuals with take-home vehicle assignments did not meet the frequency requirement. (See Exhibit 4.) There were another 18 take-home vehicle assignments in which achievement of the frequency requirement is unknown.

Exhibit 4. Take-Home Vehicle Assignments (December 2007 - November 2008)

Condition for Assignment	Assignments	Frequency Requirement		
		Met ⁹	Not Met	Unknown
1. The employee is: a) frequently (twice a month on average) subject to after-hours service requests requiring emergency response; and b) a specialized vehicle, tools, or equipment are required for the performance of emergency duties.	83	57	25	1
2. The employee is: a) frequently (twice a month on average) assigned to work in an area closer to his or her home than to the place where the vehicle is stored making it more efficient to commute from home; and b) a specialized vehicle, tools, or equipment are required for the performance of duties; and c) the department director has given their approval.	0	0	0	0
3. The employee has case specific authorization from the city fleet administrator to be an exception to conditions 1 and 2 above. Considerations will include economic benefit to the city, on-call assignment and response to severe emergencies (when frequency is less than twice a month on average).	13	3	0	10
Unknown (Reason for assignment not indicated on 2008 annual summary report.)	7	N/A	N/A	7
Totals	103	60	25	18

Sources: Administrative Regulation 6-2 and 2008 Annual Summaries of City-Owned Take-Home Vehicles submitted by city departments to the Finance Department.

The Police Internal Audit Unit’s 2007 audit identified three take-home vehicles lacking the proper authorization that allowed them to be operated as such. The three vehicles were referred to the bureau commanders for either proper authorization or removal from take-home operations.

If you have any questions, please contact me at 513-3320.

cc: Board of Police Commissioners
Wayne Cauthen, City Manager
Jim Corwin, Police Chief
Troy Schulte, Budget Officer

⁸ Administrative Regulation 6-2.

⁹ Individual responded to emergencies or after-hours calls 24 or more times during the year.