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CITIZENS SUMMARY

Findings in the audit of the State Flight Operations

Background

The state owns 19 aircraft operated by three state agencies: the Missouri State Highway Patrol (MSHP), Department of Conservation (MDC), and Missouri Department of Transportation (MoDOT). Collectively, the three agencies maintain and operate 6 passenger planes (three with pressurized cabins), 8 utility planes, and 5 utility helicopters. The state spent approximately \$6.6 million on flight operations during the 2 years ended June 30, 2013, and the MSHP expanded the state's passenger aircraft fleet with the purchase of a \$5.6 million pressurized passenger plane during fiscal year 2013.

Fleet Usage

The state airplane fleet is larger than necessary, there is duplication of efforts between agencies, and, despite the low utilization of state aircraft, state agencies incur unnecessary costs for chartered flights. For the 2 years ended December 2013, the state's passenger fleet was used to capacity on only 51 business days (10.3 percent), 3 or more of the 6 passenger planes sat idle on 459 business days (92.7 percent), and no passenger planes flew on 69 business days (14 percent). MoDOT's utility plane flew only 47 days (9.7 percent of available days) and MSHP or MDC non-pressurized planes were available on 35 of those 47 days. The state paid \$183,638 for chartered flights, primarily to provide transportation to MoDOT and MDC commission members; even though state-owned pressurized passenger planes were available on 67 percent of the days charter flights were used, resulting in approximately \$122,000 in unnecessary costs. Multiple agencies providing flight services results in a duplication of effort. The MSHP employs 12 pilots at an annual cost of \$1.2 million, the MDC employs 3 pilots costing \$251,000 per year, and the MoDOT employs 1 pilot costing \$79,170 annually. The state has not performed a formal comprehensive statewide analysis of flight service needs and how to most efficiently administer these services.

Commission Flights

During the 2 years ended June 30, 2013, the MDC and MoDOT spent approximately \$376,000 flying governor-appointed commission members to commission meetings held across the state. Although Missouri has numerous state commissions and boards, the MoDOT and MDC are the only state agencies that regularly fly commissioners to commission meetings and other commission-related business. Commission members of other state boards typically receive motor vehicle mileage for reimbursement of travel costs. We estimate the MoDOT and MDC could have saved \$294,000 during the 2-year audit period by providing commissioners mileage reimbursement instead of plane transportation. In addition, without commission flights the pressurized passenger plane maintained by the MDC and the MoDOT would not be necessary since any passenger flights could be absorbed by non-pressurized planes or other state-owned pressurized planes.

Flight Purpose Conflicts	The MoDOT allowed non-authorized passengers on state passenger flights, including commission members' spouses, family members, and former commissioners, which is against state policy. The MSHP did not always document flights in sufficient detail to determine the flight purpose, as required by state policy, and MSHP personnel did not always document the identity of the passengers or their relationship to MSHP.
Flight Costs	The MSHP billing rate calculation did not include various operating costs in excess of \$675,000 for the 2 years ended December 31, 2013. These costs included mechanic fringe benefits, pilot training, hangar expense, other clerical and administrative expenses, and amortization of the purchase price of the aircraft. Had the MSHP included all applicable costs in its billing calculations, we estimate the MSHP would have received an additional \$191,500 from state agencies, including \$127,000 from the Governor's office, during the 2 years ended December 31, 2013.
Flight Approval and Review	The three agencies operating state aircraft do not consistently prepare and maintain a trip optimizer to verify the most cost effective and efficient method of travel is utilized, and neither the MSHP or the MDC adequately document supervisory reviews of flight reports.

In the areas audited, the overall performance of state flight operations was **Fair**.

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

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