Nicole R. Galloway, CPA
Missouri State Auditor

PUBLIC SAFETY

Missouri State Highway Patrol's Use of Highway Funds

Year Ended June 30, 2015

December 2015

Report No. 2015-125

http://auditor.mo.gov

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CITIZENS SUMMARY

Findings in the audit of the Department of Public Safety- Missouri State Highway Patrol's Use of Highway Funds

Background	Missouri state law requires the Missouri State Auditor to examine whether State Highways and Transportation Fund appropriations to the Missouri State Highway Patrol are used in accordance with the Missouri Constitution, which limits the use of these funds to activities related to administering and enforcing state motor vehicle laws or traffic regulations.
Methodology	Audit staff reviewed policies and procedures, financial records, and other pertinent documents; interviewed agency personnel; and tested selected transactions. Auditors also reviewed highway patrol calculations of amounts spent for non-highway activities, and the amounts spent for highway-related activities from other funding sources.
Conclusions	The audit determined the Missouri State Highway Patrol complied with legal provisions related to the use of this funding for the 2015 fiscal year.

Because of the limited objective of this review, no overall rating is provided.

Department of Public Safety
Missouri State Highway Patrol's Use of Highway Funds
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Honorable Jeremiah W. (Jay) Nixon, Governor
and
Members of the General Assembly
and
Lane Roberts, Director
Department of Public Safety
and
Colonel J. Bret Johnson, Superintendent
Missouri State Highway Patrol
Jefferson City, Missouri

We have audited the Department of Public Safety, Missouri State Highway Patrol's Use of Highway Funds, as required by Section 226.200.3, RSMo. The scope of our audit included, but was not necessarily limited to, the year ended June 30, 2015. The objective of our audit was to determine whether the agency is in compliance with legal provisions related to the use of Highway Funds.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The Background, Methodology and Conclusions present our comments concerning the overall compliance related to the Department of Public Safety, Missouri State Highway Patrol's Use of Highway Funds.

Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Deputy State Auditor:	John Luetkemeyer, CPA
Director of Audits:	Douglas J. Porting, CPA, CFE
Audit Manager:	Dennis Lockwood, CPA
In-Charge Auditor:	James M. Applegate, MBA

Department of Public Safety
Missouri Highway Patrol's Use of Highway Funds
Background, Methodology, and Conclusions

Background

The State Auditor is required to determine whether appropriations from the State Highways and Transportation Fund (State Highway Fund) to the Missouri State Highway Patrol (MSHP) are used for administering and enforcing state motor vehicle laws and traffic regulations pursuant to the constitution.

Limitations and requirements

Article IV, Section 30(b), Missouri Constitution, limits the MSHP's use of highway funds to activities related to administering and enforcing state motor vehicle laws or traffic regulations. In addition, Section 226.200.3, RSMo, provides, in part:

". . . Appropriations allocated from the state highways and transportation department fund to the highway patrol shall only be used by the highway patrol to administer and enforce state motor vehicle laws or traffic regulations. Beginning July 1, 2007, any activities or functions conducted by the highway patrol not related to enforcing or administering state motor vehicle laws or traffic regulations shall not be funded by the state highways and transportation department fund, but shall be funded from general revenue or any other applicable source. Any current funding from the highways and transportation department fund used for activities not related to enforcing state motor vehicle laws or traffic regulations shall expire on June 30, 2007. The state auditor shall annually audit and examine the appropriations made to the highway patrol to determine whether such appropriations are actually being used for administering and enforcing state motor vehicle laws and traffic regulations pursuant to the constitution. The state auditor shall submit its annual findings to the general assembly by January fifteenth of each year."

During the year ended June 30, 2015, the MSHP utilized appropriations from the State Highway Fund as follows:

		Appropriation Authority	Expenditures	Lapsed Balances
Enforcement personal service	$	68,270,858	66,192,705	2,078,153
Enforcement expense and equipment		5,636,631	5,433,833	202,798
Technical services personal service		13,725,678	12,919,918	805,760
Technical services expense and equipment		13,500,001	13,051,900	448,101
Vehicle and driver safety personal service		10,807,996	10,187,352	620,644
Vehicle and driver safety expense and equipment		1,039,555	932,603	106,952
Refund unused motor vehicle inspection stickers		100,000	43,586	56,414
Administration personal service		5,751,465	5,575,333	176,132
Administration expense and equipment		422,589	391,934	30,655
Crime laboratories personal service		3,782,425	3,629,108	153,317
Crime laboratories expense and equipment		909,249	881,970	27,279
Law Enforcement Academy personal service		1,295,111	1,245,575	49,536
Law Enforcement Academy expense and equipment		73,576	71,353	2,223
Fringe benefits personal service		75,556,604	70,723,049	4,833,555
Fringe benefits expense and equipment		6,386,801	5,664,227	722,574
Vehicle replacement expense and equipment		4,818,182	4,595,751	222,431
Gasoline expenses		6,313,699	4,128,866	2,184,833
Interoperable system highway		5,000,000	4,359,816	640,184
Interoperable ongoing highway		4,100,000	3,922,919	177,081
Total	$	227,490,420	213,951,798	13,538,622

* The lapsed balances include withholdings made at the Governor's request totaling $4,363,410.

Methodology

Our methodology included reviewing written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the agency; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objective and assessed whether such controls have been properly designed and placed in operation. We tested certain of those controls to obtain evidence regarding the effectiveness of their design and operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objective, and we assessed the risk that illegal acts, including fraud, and violations of other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

To determine whether the MSHP complied with the limitations on the use of highway funds, we reviewed the MSHP calculations of amounts expended from the State Highway Fund for non-highway activities and the amounts expended by the MSHP for highway-related activities from other funding

sources. We compared the amounts used in the MSHP calculations to expenditures recorded in the state accounting system (SAM II) and other supporting documentation. In addition, we tested certain expenditures to determine if the expenditures were properly recorded.

Conclusions

We concluded the MSHP appears to be in compliance with legal provisions related to the use of Highway Funds. During fiscal year 2015, the MSHP spent approximately $1,941,000 appropriated from the State Highway Fund that was not related to highway activities. This amount included some non-highway personal service and fringe benefit expenditures made from the State Highway Fund for the Crime Laboratory Division, Training Division, Technical Services Bureau, and Administrative Services Bureau; and some gasoline and expense and equipment expenditures from the Administrative Services Bureau. However, these expenditures were more than offset by personal service and expense and equipment expenditures of approximately $5,908,000 incurred by the Crime Laboratory Division, Training Division, and Technical Services Bureau that were related to highway activities but were not paid from the State Highway Fund. As a result, approximately $3,967,000 more was spent on highway-related activities than was paid from highway funds during fiscal year 2015.