



Susan Montee, JD, CPA  
Missouri State Auditor

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# GENERAL ASSEMBLY AND SUPPORTING FUNCTIONS

## Senate

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September 2009  
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Office of the  
Missouri State Auditor  
Susan Montee, JD, CPA

September 2009

The following report is our audit of the General Assembly and Supporting Functions - Senate.

Donations are solicited from lobbyists by senators or Senate officials and used to pay various costs, including Christmas parties and gift cards for Senate staff, retirement receptions and gifts for outgoing senators, and food and beverage costs of senators and Senate staff when working late during legislative sessions. These donations have been deposited into a separate bank account maintained outside the state treasury, although it is not clear there is authority to do so. Since the establishment of the account in December 2003, donations totaling \$76,070 have been deposited into this account, with \$60,945 being disbursed from this account. Donations have been received from over 100 different lobbyists or lobbyist principals. Some of these donations (9 of 15 tested) were not properly reported by the lobbyists to the Missouri Ethics Commission, as required by law. Also, some control weaknesses were noted over the receipt and handling of these monies .

Actively soliciting donations from lobbyists could give the appearance of, and may result in, a conflict of interest. In addition, constitutional and statutory provisions indicate that state funds are to be held and disbursed by the state treasurer. To promote compliance with laws related to lobbyist activities, the Senate should notify lobbyists of the reporting requirement when soliciting and receiving donations, and the need to amend expenditure reports filed with the Ethic Commission for any donations not previously reported.

Support staff employees are not required to sign their timesheets to document the hours worked and any leave taken. In addition, the employees' supervisors do not routinely review and approve the timesheets of their subordinates or related data in the time management system. For senators' personal staff, detailed timesheets and records of compensatory time earned and accumulated are not always prepared or centrally maintained. The Senate does not require the time management system used for support staff to be used by senators' personal staff and senators are allowed to decide how the time worked by their personal staff is to be documented.

The Senate accounts for its capital assets using two separate systems, an internal computerized system with bar coding capabilities and the fixed asset subsystem of the state's accounting system. The Senate does not periodically reconcile the information on these two capital asset systems. In addition, property control duties are not adequately segregated, with the employee who maintains the records also performing the physical inventories.

The Senate did not always comply with bidding and documentation requirements of its procurement policy. Instances were noted in which competitive bids or proposals were

YELLOW SHEET

either not obtained or the procurement methods and circumstances were not properly documented. Instances noted included a digital recording system costing \$9,775, computers and related equipment costing \$21,707, and legal services costing \$13,202. In addition, gifts were provided to outgoing senators which were paid from the state's General Revenue Fund. In June 2006, the Senate paid \$2,240 for eight framed and engraved silver trays which were provided as gifts to the senators leaving office in 2006. Similarly, in early fiscal 2009, \$1,947 was spent on seven framed silver trays given to outgoing senators in 2008. These gifts do not appear to be a necessary or prudent use of state funds.

The Senate does not have a formal disaster recovery plan for its computer system/data and does not store copies of backup data at an off-site location.

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GENERAL ASSEMBLY AND SUPPORTING FUNCTIONS  
SENATE

TABLE OF CONTENTS

	<u>Page</u>
STATE AUDITOR'S REPORT .....	1-3
MANAGEMENT ADVISORY REPORT - STATE AUDITOR'S FINDINGS .....	4-15

<u>Number</u>	<u>Description</u>	
1.	Senate Administrator's Fund .....	5
2.	Employee Time and Leave Records .....	9
3.	Capital Asset Records and Procedures .....	11
4.	Expenditures .....	12
5.	Computer Security .....	14

HISTORY, ORGANIZATION, AND STATISTICAL INFORMATION .....	16-26
--	-------

Appendix

	Combined Statement of Receipts, Disbursements, and Changes in Cash and Investments	
A-1	Year Ended June 30, 2008 .....	21
A-2	Year Ended June 30, 2007 .....	22
A-3	Year Ended June 30, 2006 .....	23
B	Comparative Statement of Appropriations and Expenditures Three Years Ended June 30, 2008 .....	24
C	Comparative Statement of Expenditures (from Appropriations) Five Years Ended June 30, 2008 .....	25
D	Statement of Changes in General Capital Assets Years Ended June 30, 2008, 2007, and 2006.....	26

STATE AUDITOR'S REPORT



**SUSAN MONTEE, JD, CPA**  
**Missouri State Auditor**

Members of the General Assembly - Senate  
Jefferson City, Missouri

We have audited the General Assembly and Supporting Functions - Senate. The scope of our audit included, but was not necessarily limited to, the years ended June 30, 2008, 2007, and 2006. The objectives of our audit were to:

1. Evaluate the Senate's internal controls over significant management and financial functions.
2. Evaluate the Senate's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and operations, including certain revenues and expenditures.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the Senate, as well as certain external parties; and testing selected transactions.

We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. However, providing an opinion on the effectiveness of internal controls was not an objective of our audit and accordingly, we do not express such an opinion.

We obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract or 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. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. Abuse, which refers to behavior that is deficient or improper when compared with behavior that a prudent person would consider reasonable and necessary given the facts and circumstances, does not necessarily involve noncompliance with legal provisions. Because the determination of abuse is subjective, our audit is not required to provide reasonable assurance of detecting abuse.

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 accompanying History, Organization, and Statistical Information is presented for informational purposes. This information was obtained from the Senate's management and was not subjected to the procedures applied in our audit of the Senate.

The accompanying Management Advisory Report presents our findings arising from our audit of the General Assembly and Supporting Functions - Senate.



Susan Montee, JD, CPA  
State Auditor

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MANAGEMENT ADVISORY REPORT -  
STATE AUDITOR'S FINDINGS

GENERAL ASSEMBLY AND SUPPORTING FUNCTIONS  
SENATE  
MANAGEMENT ADVISORY REPORT -  
STATE AUDITOR'S FINDINGS

<b>1. Senate Administrator's Fund</b>
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Donations are solicited from lobbyists by senators or Senate officials and used to pay various costs, including Christmas parties and gift cards for Senate staff and retirement receptions and gifts for outgoing senators. This situation could give the appearance of, and may result in, a conflict of interest. These donations have been deposited into a bank account maintained outside the state treasury, although it is not clear there is authority to do so. Some donations were not properly reported by the lobbyists to the Missouri Ethics Commission, as required by law. Also, adequate controls have not been established over the receipt and handling of these donations.

In December 2003, a former Senate Administrator established the Senate Administrator's Fund Bank Account to receive and deposit donations from lobbyists to pay for food and beverage costs of senators and Senate staff when working late during legislative sessions and to pay the costs of the annual staff Christmas parties. According to Senate officials, lobbyists had made donations for meals and the annual Christmas party prior to establishment of the bank account, but it was believed that establishing the account would be more convenient and efficient by allowing lobbyists to donate throughout the year instead of shortly before the monies were needed.

- A. Since the establishment of the account in December 2003, through June 30, 2008, donations totaling \$76,070 have been deposited into this account, with donations from over 100 different lobbyists or lobbyist principals. Also during that period, a total of \$60,945 has been disbursed from the account. Actively soliciting donations from lobbyists and could give the appearance of, and may result in, a conflict of interest. As a result, Senate officials should reconsider the practice of soliciting donations from lobbyists.
  
- B. In an April 2003 letter to the former Senate Administrator, the Missouri Ethics Commission accepted the establishment of the fund with the understanding that any donations received would be reported on the lobbyists' monthly expenditure reports. However, it appears many donations received from lobbyists were not reported on the lobbyists' expenditure reports as required by state law. We reviewed 15 donations, totaling \$10,365, from lobbyists received between April and August 2008 and noted that at least 9 of the donations, totaling \$8,035, were not properly reported by the lobbyists on the monthly expenditure reports filed with the Missouri Ethics Commission.

Section 105.473.3, RSMo, requires that all expenditures made by a lobbyist or his/her lobbyist principals on behalf of state officials and their staffs be reported

monthly by the lobbyists to the Missouri Ethics Commission. There was no documentation to indicate that lobbyists were notified or reminded of the requirement to report any donations to the Senate to the Missouri Ethics Commission. To promote compliance with state laws related to lobbyist activities, the Senate should notify the lobbyists of the reporting requirement when soliciting and upon receipt of donations. In addition, the Senate should consider contacting those lobbyists who donated monies in the past and suggest they amend the expenditure reports filed with the Ethics Commission for any applicable donations not reported previously.

- C. During the three years ended June 30, 2008, approximately \$10,000 was spent from the bank account on food and beverage costs of senators and Senate staff when working late during the legislative sessions. In addition, various other expenses were paid from this account. These costs included Christmas parties for Senate staff, gift cards provided to Senate employees, and retirement receptions and gifts for outgoing/retiring senators. Since its inception and through June 30, 2008, the Senate expended the following amounts for these purposes:

Purpose	Amount
Retirement receptions for outgoing senators	\$ 19,951
Gift cards/certificates given to Senate employees	10,700
Senate staff Christmas parties	9,150
Gifts for outgoing/retiring senators	2,500
Total	<u>\$42,301</u>

- The retirement reception costs relate to receptions held every two years for outgoing senators at a Jefferson City country club. The total expenditures for the retirement reception held in fiscal year 2007 totaled approximately \$10,400, and included food and beverages (including alcohol) for approximately 200 people and \$300 for a musician.
- The gift card/certificate costs relate to \$25 gift cards/certificates purchased during the year from local stores and restaurants which were given to Senate employees at the annual Christmas parties through various drawings. The amounts spent on these gift cards/certificates totaled \$2,175 in both fiscal years 2006 and 2007, and \$2,000 in fiscal year 2008.
- The Christmas party expenses relate to annual parties held each year for all Senate staff at a restaurant in Jefferson City. During the three years ended June 30, 2008, Senate officials set a limit of \$2,000 on the annual party costs to be paid from the Senate Administrator's Fund. The restaurant provided food and beverages (including alcohol) for the party until the limit was reached. In addition to party expenses paid from the Senate Administrator's Fund, records indicated that an additional \$450 was paid directly to the restaurant by lobbyists for the 2006 Christmas party.

- The gifts to senators were for lapel pins given to outgoing senators in fiscal year 2007. These retirement pins were engraved with the senator's name and years of service. Eight of these pins were purchased and given to senators in fiscal year 2007 at a total cost of \$2,500, or \$313 each. In addition, we noted that seven retirement pins were purchased for outgoing senators in fiscal year 2009 at a total cost of \$2,861, or \$409 each.

The expenditures noted above are not allowable for most state agencies. The State of Missouri Administrative Policy SP-5, issued in January 2002 by the Office of Administration, appears to prohibit or restrict food and beverage expenditures by state agencies for Christmas parties or retirement receptions. Also, gifts to employees of state agencies are not allowable. Article III, Section 38(a), of the Missouri Constitution, prohibits the granting of public monies or property to any private person, association, or corporation.

While it appears the Senate is not subject to some policies and restrictions that apply to other state agencies, these expenditures do not appear to be a necessary use of funds.

- D. The Senate Administrator's Fund bank account is controlled and administered exclusively by Senate officials. We could locate no statutory or other authority for Senate officials to open a bank account outside the state treasury. In addition, there was no indication the former Senate Administrator communicated with the State Treasurer's Office (STO) prior to establishing this account.

Article IV, Section 15, Missouri Constitution, and Section 30.240, RSMo, require state funds to be held and disbursed by the state treasurer.

Senate officials should close the account and communicate with the STO regarding the proper disposition of the monies remaining in the account.

- E. Internal controls surrounding the handling of the Senate Administrator Fund monies are not adequate. Donations are initially received in the Senate Administrator's office and subsequently remitted to Senate Accounting to be recorded and deposited. The following concerns were noted related to the handling of these monies:

- 1) No records are maintained to account for all donations when they are initially received. The Senate Administrator's office does not issue receipt slips or maintain a receipts ledger of the donations received. That office only maintained a list of donations received for the 2006 Christmas party and the 2008 retirement reception. While the donations received are later listed on a deposit log, those monies are not posted to this record until shortly before the monies are deposited.

To adequately account for donations received and reduce the risk of loss or misuse of funds, prenumbered receipt slips should be issued for all

monies received or the monies should be recorded in a detailed receipts ledger immediately upon receipt.

- 2) Some donations received are not deposited in a timely manner. We compared the date of receipt of 16 donations on the 2008 retirement reception listing to the deposit date and noted 8 donations totaling \$7,455 were not deposited until 10 to 20 days after receipt and another \$300 donation was not deposited until 37 days after receipt.

To adequately safeguard receipts and reduce the risk of loss, theft, or misuse of funds, deposits should be made on a timely basis.

- 3) The duties of preparing and making deposits and subsequently preparing bank reconciliations are not adequately segregated. These duties are all performed by the Chief Financial Officer in Senate accounting.

To safeguard against possible loss or misuse of funds, proper internal controls require segregating the duties of preparing and making the deposits, and reconciling the bank account.

**WE RECOMMEND** the Senate:

- A&B. Reconsider the practice of soliciting donations from lobbyists, and notify lobbyists of the reporting requirements and the need to amend expenditure reports filed with the Ethics Commission for donations not previously reported.
- C&D. Ensure any future expenditures be made for necessary purposes and direct the current Senate Administrator to close the account and communicate with the STO regarding the proper disposition of the monies remaining in the account.
- E. Ensure adequate internal controls are established, if it continues to receive donations from lobbyists or other outside parties. These controls should include:
  1. Issuing prenumbered receipt slips for any monies received or recording the receipts in a ledger immediately upon receipt.
  2. Depositing or transmitting monies on a timely basis.
  3. Segregating the duties of preparing and making the deposits and transmittals, and performing the monthly bank reconciliations.

**AUDITEE'S RESPONSE**

*Although the Administrator's Fund does not involve tax payers' funds in any way and may provide more convenience and efficiency in the handling of certain expenditures, its creation was also part of an on-going effort by the Senate to lower costs to the state. Previously, depending upon the expenditure, items would either be paid using the Senate contingent appropriation*

(general revenue), or via payment from a donor to a third party. Since its creation, relevant expenses are simply paid from this account (which is comprised solely of donations for the designated purposes) resulting in the saving of state resources.

The most important benefit the use of this account has afforded is transparency and accountability in the reporting of funds received and expenditures made. Each dollar received and expenditure incurred has been clearly detailed and documented.

A&B. Pursuant to the statutory reference cited, expenditures by lobbyists or principals are to be reported to the Missouri Ethics Commission, **by the lobbyists**. To better ensure statutory compliance, a notification of said requirement will be provided to any future donor.

C&D. As pointed out to audit staff, food & beverage expenditures incurred while working late sessions could be paid from the senate contingent appropriation, as had been done on occasion previously.

E. Internal controls have been enhanced as noted, along with clarifications of some of the issues raised by the auditors.

1. The issuance of pre-numbered receipt slips for all funds received for this account was implemented in December 2008.
2. Efforts have been made to assure that all receipts are deposited expeditiously. The auditor's sample compared the date of receipt (based on a partial log utilizing check date) of 16 checks with the actual deposit date. However, there may be little correlation between the check date and the received date.

For comparison, a review of all receipted payments to the Senate Revolving Fund for deposits during the same period (March to June 2008) compared the check date and the receipt date. Checks are to be receipted when received. The average difference between the check dates and receipt dates was 6.6 days. Out of the 44 items tested there were a total of 7 items with receipt dates which were more than 10 days after the check date (including 3 receipted items with check dates at least 20 days old).

3. As noted during the audit, while the CFO was responsible for the maintenance and reconciliation of the account's records, the Senate Administrator actually possessed and maintained the checkbook. A further segregation of duties by those responsible for the account was instituted in December 2008.

**2.**

## **Employee Time and Leave Records**

Senate support staff employees do not sign off on their timesheets and supervisory employees do not review and approve timesheets of their subordinates. In addition,

detailed timesheets and compensatory time records are not always prepared and centrally maintained.

The Senate has two groups of employees. Senate support staff, such as research analysts, print shop employees, accounting staff, and maintenance employees, work for the Senate overall; and senators' personal staff, such as attorneys and secretaries, work exclusively for a senator. In response to issues reported in prior audits of the Senate, a time-keeping system was established for recording time worked and leave earned, taken, and accumulated. This system has been used for support staff employees, but not for senators' personal staff. A review of the current procedures to account for the time worked and leave taken and accumulated by Senate employees disclosed the following concerns:

- A. Support staff employees are not required to sign their timesheets to document the hours worked and any leave taken. In addition, the employees' supervisors do not routinely review and approve the timesheets of their subordinates or related data in the time management system.

To ensure proper control over payroll, support staff employees should be required to sign their timesheets and supervisory employees should be required to review and approve the timesheets of those employees they are responsible for supervising.

- B. For senators' personal staff, detailed timesheets and records of compensatory time earned and accumulated are not always prepared or centrally maintained. The Senate does not require the time management system to be used by senators' personal staff and senators are allowed to decide how the time worked by their personal staff is to be documented. While some senators require personal staff to prepare detailed timesheets and remit those timesheets to Senate Accounting, other senators only submit information to Senate Accounting which summarizes the compensation to be received for that pay period, the total hours worked and pay rate if part-time, and summarized annual leave and sick leave activity. This information submitted generally does not include any detail regarding the employees' hours worked or leave taken for each day nor any information regarding any compensatory time earned, taken, or accumulated by their employees.

Timesheets detailing the daily hours worked and leave taken are necessary to provide support for the payroll costs of the senators' personal staff. In addition, the compensatory time records for the senators' personal staff should be maintained centrally to provide assurance the balances are maintained accurately.

A similar condition was noted in previous audits of the Senate.

**WE RECOMMEND** the Senate:

- A. Require support staff employees to sign their timesheets. In addition, supervisory employees should be required to review and approve timesheets of their subordinates or related data in the time management system.
- B. Require senators' personal staff to use the same time-keeping system which is currently used by Senate support staff to account for their time worked, leave taken, and any compensatory time earned and taken.

**AUDITEE'S RESPONSE**

- A. *Support staff is required to verify their respective accrued leave balances as shown on the time management system annually. To enhance control, effective immediately we will require all support staff and their respective supervisor to regularly review and approve timesheets.*
- B. *We are currently in the process of moving all staff to the SAM II time and leave system.*

<b>3. Capital Asset Records and Procedures</b>
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The two systems currently used to account for property items are not reconciled on a periodic basis and the property control duties are not adequately segregated.

At June 30, 2008, the Senate owned approximately \$2.3 million in furniture and equipment items. A review of the records and controls over these property items disclosed the following concerns:

- A. The Senate accounts for its capital assets using two separate systems. In 2002, the Senate acquired and began using a computerized system (Fasstrack) with bar coding capabilities. In 2004, the Senate also began using the fixed asset subsystem of the state's accounting system (SAMII). The Fasstrack system accounts for all property items costing \$250 or more, while the SAMII system accounts for property items costing \$1,000 or more.

The Senate does not periodically reconcile the information on these two capital asset systems. The Senate reconciled the two systems in November 2008 upon our request. In doing so, Senate employees discovered a number of inaccuracies in the SAMII and Fasstrack data and subsequently made adjustments to correct the records. For example, net adjustments totaling approximately \$145,000 were made to the records to more accurately reflect the acquisition of a computer network in 2006.

The Senate should annually reconcile the Fassetrack and SAMII capital asset systems to ensure the information presented on these systems is presented accurately.

- B. Property control duties are not adequately segregated. The employee who maintains the Fassetrack records also performs the physical inventories. To ensure property records are accurate and to safeguard assets from theft or misuse, physical inventories should be performed by someone independent of the custodial and recordkeeping functions.

This condition was noted in our previous audit of the Senate.

**WE RECOMMEND** the Senate:

- A. Perform annual reconciliations of the Fassetrack and SAMII property control systems.
- B. Require an individual independent of the capital assets custodial or recordkeeping function perform the annual physical inventory or, at a minimum, be involved in the physical inventory procedures.

**AUDITEE'S RESPONSE**

*Annual reconciliations are presently being performed between the Fassetrack and SAM II property control systems. One employee has had primary responsibility for the maintenance of the internal property control records and performance of the annual physical inventory. However, as pointed out during the audit this person typically is assisted in the physical inventory by other employees. Furthermore, the maintenance of the SAM II property control system and the reconciliation of the two systems is performed by a separate employee.*

**4.**

**Expenditures**

The Senate did not always comply with bidding and documentation requirements of its procurement policy. In addition, gifts costing almost \$4,200 were provided to retiring senators in recent years which did not appear to be a necessary or prudent use of state funds.

- A. The Senate manages its own purchasing functions. While Section 34.010, RSMo, exempts the legislature from the procurement and bidding requirements which apply to most state agencies, past audits of the Senate have reported that a written procurement policy had not been established and recommended that such a policy be developed. In November 2004, the Senate established a written procurement policy requiring that bids or proposals be formally solicited (through a request for proposals (RFPs) or other similar means) for purchases of \$10,000 or more and documentation be maintained of the procurement process. In January 2008, the

policy was revised and the threshold for the solicitation of formal bids or proposals was raised to \$25,000. The policy also provides that if the cost of the procurement is less than the established threshold, informal procurement methods (i.e. telephone quotes, internet quotes or comparisons, etc.) are acceptable. All such informal procurement efforts are to be documented.

During our review of Senate expenditures, we noted competitive bids were properly obtained for a number of purchases. However, we noted the following instances in which competitive bids or proposals were either not obtained or the informal procurements methods and the circumstances related to purchases were not properly documented:

- In fiscal year 2008, a digital recording hardware and software system was purchased at a cost of \$9,775. The limited documentation available indicated that three vendors were contacted and only one vendor could provide the desired equipment. In addition, there was indication that an internet search for the equipment was conducted. However, the dates of the vendor contacts and the results of the internet search were not documented.
- In June 2008, the Senate purchased computers and related equipment directly from a computer supplier at cost totaling \$21,707. A Senate official indicated that bids were not solicited because the vendor also provides computers to the state under a statewide contract. However, the Senate did not maintain documentation to show that the prices paid were equivalent to or better than those which were obtainable under state contract.
- In January 2007, \$13,202 was paid to a law firm for legal services provided for a Senate committee. A Senate official indicated several law firms were considered when obtaining these services; however, no documentation was maintained of the law firms considered or why the law firm was selected.

To ensure and demonstrate compliance with its procurement policy, the Senate should maintain adequate documentation to support all significant purchases, including those procurements handled through informal methods. If competitive bids cannot be obtained because of sole source or emergency situations, the circumstances should be thoroughly documented.

- B. In June 2006, the Senate paid \$2,240 for eight framed and engraved silver trays which were provided as gifts to the senators leaving office in 2006. Similarly, in early fiscal 2009, an additional \$1,947 was spent on seven framed silver trays given to outgoing senators in 2008. The cost of these gifts was paid from the state's General Revenue Fund. According to a Senate official, these gifts have traditionally been given to retiring senators.

These gifts do not appear to be a necessary or prudent use of state funds. The Senate should ensure state funds are used only for items that are necessary and beneficial to the Senate's functions.

**WE RECOMMEND** the Senate:

- A. Obtain competitive bids or proposals on significant purchases in accordance with its current procurement policy and maintain adequate documentation to support the procurement methods (whether formal or informal) and the factors considered in making the procurement decisions.
- B. Refrain from providing gifts to outgoing senators.

**AUDITEE'S RESPONSE**

- A. *The Senate will continue to adhere to its procurement policy while ensuring that appropriate documentation of purchase decisions is maintained.*
- B. *The practice of providing engraved trays to outgoing senators has been standard for many years. A review of this practice will be done.*

<b>5. Computer Security</b>
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The Senate does not have a formal disaster recovery plan for its computer systems/data and does not store copies of backup data at an off-site location.

The Senate relies heavily on computer systems for various applications, including databases related to pending legislation, voters and constituents, fixed assets, and employee time and leave records. A review of the controls and security over this information disclosed the following concerns:

- A. The Senate has not developed a formal disaster recovery plan to help the Senate resume normal business operations and promptly restore computer operations in the event of a disaster or other disruptive occurrence. Because of the Senate's degree of reliance on the computer systems, the need for contingency planning is evident.

A formal written disaster recovery plan should specify recovery actions required to reestablish critical computer operations and include plans for a variety of situations, such as short- and long-term plans for backup hardware, software, facilities, personnel, and power usage. In the case of a disaster, such documentation can reduce confusion and provide a framework for the uninterrupted continuance of operations. Once a disaster recovery plan has been developed and approved, it should be periodically tested and reviewed.

- B. The Senate backs up all database and website information nightly to tapes and a server backup hard drive; however, a copy of this information is not stored at an off-site location. Storing backup data offsite provides protection for important electronic data.

A minimal level of backup information, together with records of the backup copies and documented restoration procedures, should be stored at a secure off-site location on a regular and timely basis. These procedures would help allow the Senate to maintain business operations or to recover rapidly from most disruptions to or failure of the Senate's computer systems.

**WE RECOMMEND** the Senate:

- A. Develop a formal written disaster recovery plan. The plan should then be periodically tested and evaluated to ensure business operations can continue in the event of a disruption to normal operations.
- B. Ensure backups of the Senate's electronic data are stored at a secure off-site location on a regular and timely basis.

**AUDITEE'S RESPONSE**

*Agency personnel have been in discussions with representatives from the Office of Administration and emergency planning groups in the development of a coordinated comprehensive disaster recovery plan. An evaluation of the requirements necessary to install a back-up system in our remote parking facility is ongoing.*

HISTORY, ORGANIZATION, AND  
STATISTICAL INFORMATION

GENERAL ASSEMBLY AND SUPPORTING FUNCTIONS  
SENATE  
HISTORY, ORGANIZATION AND STATISTICAL INFORMATION

Legislative power in Missouri is vested by Article III, Section 1, Constitution of Missouri, in the General Assembly, more commonly known as the legislature, composed of the Senate and the House of Representatives.

The Senate consists of 34 members who are elected for 4-year terms. Senators from odd-numbered districts are elected in Presidential election years. Senators from even-numbered districts are chosen in the "off-year" elections. Each senator must be at least 30 years of age, and a qualified voter of the state for 3 years and the district he represents for 1 year. The lieutenant governor is president and presiding officer of the Senate. In his absence, the president pro tem, who is elected by the Senate members, presides. The Senate convenes annually on the first Wednesday following the first Monday in January and adjourns on May 30, with no consideration of bills after 6:00 P.M., on the first Friday after the second Monday in May.

Senate leadership positions are classified as either a leadership or committee chairman. Senators in leadership positions include the president pro tem and the majority and minority floor leaders. Senators occupying the positions of assistant minority floor leader, vice-chairman of the Appropriations Committee, and ranking minority member of the Appropriations Committee receive the same allowance as a committee chairman position. In addition to their normal clerical hires, the president pro tem, majority floor leader, minority floor leader, senior member of each party, and chairman of the Appropriations Committee are allowed to hire an administrative assistant. The president pro tem is authorized to hire a secretary for his administrative assistant.

Senators received salaries as follows:

<u>Positions</u>	<u>Year Ended June 30,</u>		
	<u>2008</u>	<u>2007</u>	<u>2006</u>
President pro tem	\$ 33,851	33,851	33,851
Floor leaders	32,851	32,851	32,851
All remaining senators	31,351	31,351	31,351

Senators were authorized per diems and mileage reimbursement as follows:

<u>Effective Dates</u>	<u>Per Diem</u>	<u>Mileage Rate</u>
July 1, 2005-September 30, 2005	\$76.80	
October 1, 2005-September 30, 2007	79.20	
October 1, 2007-June 30, 2008	87.20	
July 1, 2005-June 30, 2006		\$0.375
July 1, 2006-June 30, 2007		0.415
July 1, 2007-June 30, 2008		0.455

Each senator is paid a per diem each day the senator is in attendance at the legislative session. In addition, senators are reimbursed for each mile traveled when commuting to and from Jefferson City for each week the legislature is in session.

Senators receive various annual allowances to be utilized in the performance of their official duties. These allowances are established by the Administration Committee and are subject to the limitations imposed by the appropriation authorizing these expenditures. Maximum allowances have been set by category of expense with the provision that total expenditures for each senator do not exceed the maximum total allowance. In addition, with approval of the Administration Committee, senators may spend over the maximum allowance by category or in total and carry unused allowances not exceeding 20 percent of the total allowance to subsequent years. The annual allowances for the year ended December 31, 2008, were as follows:

<u>Allowance</u>	<u>Leadership Positions</u>	<u>Committee Chairman Positions</u>	<u>All Remaining Senators</u>
Maximum allowance by category:			
Personal service	\$ 119,382	107,544	98,910
District office	7,200	7,200	7,200
Postage	27,500	27,500	27,500
Travel, average	4,800	4,800	4,800
Office expense	2,000	2,000	2,000
Maximum Total Allowance	\$ 160,882	149,044	140,410

The personal service allowance is used to pay the salaries of the senators' capitol and district staff. Expenses to maintain a district office, such as rent, telephone charges, and answering services are charged against the district office allowance. The postage allowance is primarily used to pay the cost of mailing newsletters. Travel expenses incurred in connection with the duties of a state senator are reimbursable from the travel allowance. The travel allowance is determined at the beginning of each biennial assembly utilizing a formula which considers a senator's round-trip mileage between their residence and the Capitol and the size of their district in square miles. Each senator is allowed to make office purchases of \$2,000 per year without being cleared through the Administration Committee. Each senator has a credit card for telephone calls regarding Senate business when not at their capitol office.

The Senate determines its own rules and procedures and rules may not be dispensed without at least one day's notice and only by a vote of at least a majority of the Senate. However, a rule may be suspended for a special purpose by a vote of two-thirds majority of the members. This suspension shall remain only until the Senate proceeds to the consideration of business other than that for which the rule was suspended. The Senate is required to keep a daily journal (or record) of its proceedings. At the end of the session, the journals are bound by the Office of the Secretary of State.

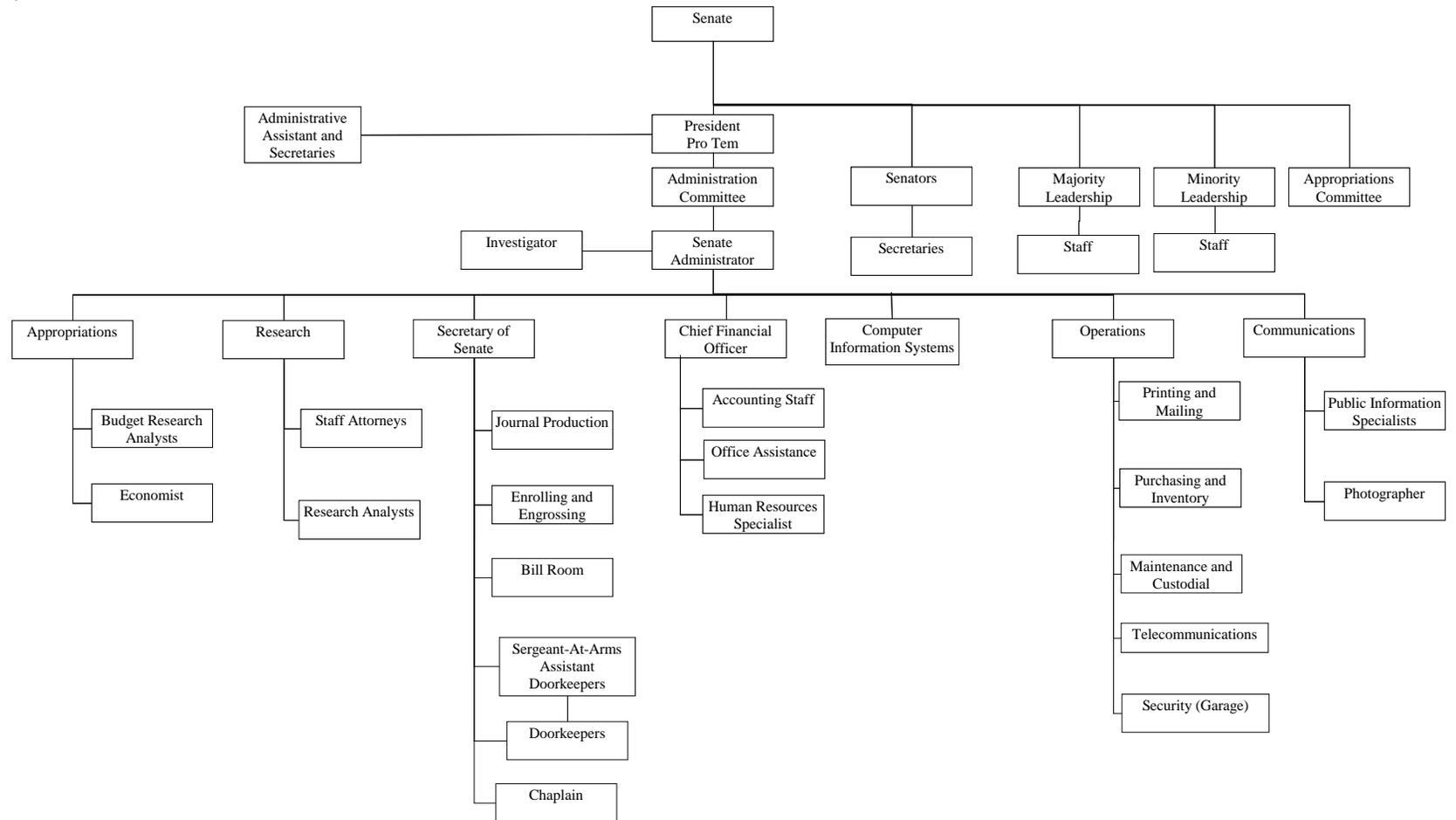
Five members of the Senate are appointed by the president pro tem to serve on the Administration Committee. This committee has sole control of all financial obligations and

business affairs of the Senate. Then Senator Michael Gibbons served as Chairman of the Administration Committee from January 2005 until January 2009. Senator Charlie Shields has served as Chairman of the committee since January 2009. The committee employs an administrator. The administrator has general supervisory responsibilities over employees who prepare the Senate budget, maintain the accounting records, acquire equipment and supplies, control inventory, maintain the physical plant, prepare the payroll, coordinate renovation projects, pay bills, and provide objective, nonpartisan research to all members of the Senate. Jim Howerton has served as Senate Administrator since January 2005 and continues in that position.

At June 30, 2008, the Senate had approximately 180 full-time employees.

An organization chart follows.

GENERAL ASSEMBLY AND SUPPORTING FUNCTIONS  
 SENATE  
 ORGANIZATION CHART  
 JUNE 30, 2008



Appendix A-1

GENERAL ASSEMBLY AND SUPPORTING FUNCTIONS  
 SENATE  
 COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH  
 AND INVESTMENTS  
 YEAR ENDED JUNE 30, 2008

	Senate Revolving Fund	Senate Administrator's Fund
	<u>          </u>	<u>          </u>
RECEIPTS		
Sales	\$ 14,129	0
Refunds and reimbursements	1,384	0
Donations	0	19,200
Miscellaneous	3,571	0
Total Receipts	<u>19,084</u>	<u>19,200</u>
DISBURSEMENTS		
Transfers to General Revenue Fund - State	9,415	0
Expense and equipment	0	5,072
Total Disbursements	<u>9,415</u>	<u>5,072</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	9,669	14,128
CASH AND INVESTMENTS, JULY 1	13,671	997
CASH AND INVESTMENTS, JUNE 30	<u>\$ 23,340</u>	<u>15,125</u>

Note - The monies of the Senate Administrator's Fund are maintained in a separate bank account in the custody of Senate officials.

Appendix A-2

GENERAL ASSEMBLY AND SUPPORTING FUNCTIONS  
 SENATE  
 COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH  
 AND INVESTMENTS  
 YEAR ENDED JUNE 30, 2007

	Senate Revolving Fund	Senate Administrator's Fund
	<u>          </u>	<u>          </u>
RECEIPTS		
Sales	\$ 15,599	0
Refunds and reimbursements	389	0
Donations	0	18,280
Miscellaneous	4,816	0
Total Receipts	<u>20,804</u>	<u>18,280</u>
DISBURSEMENTS		
Transfers to General Revenue Fund - State	134	0
Expense and equipment	20,000	22,710
Total Disbursements	<u>20,134</u>	<u>22,710</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	670	(4,430)
CASH AND INVESTMENTS, JULY 1	<u>13,001</u>	<u>5,427</u>
CASH AND INVESTMENTS, JUNE 30	<u>\$ 13,671</u>	<u>997</u>

Note - The monies of the Senate Administrator's Fund are maintained in a separate bank account in the custody of Senate officials.

Appendix A-3

GENERAL ASSEMBLY AND SUPPORTING FUNCTIONS  
 SENATE  
 COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH  
 AND INVESTMENTS  
 YEAR ENDED JUNE 30, 2006

	Senate Revolving Fund	Senate Administrator's Fund
	<u>          </u>	<u>          </u>
RECEIPTS		
Sales	\$ 18,955	0
Refunds and reimbursements	26,778	0
Donations	0	12,000
Miscellaneous	2,859	0
Total Receipts	<u>48,592</u>	<u>12,000</u>
DISBURSEMENTS		
Transfers to General Revenue Fund - State	20,538	0
Expense and equipment	40,000	7,757
Total Disbursements	<u>60,538</u>	<u>7,757</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	(11,946)	4,243
CASH AND INVESTMENTS, JULY 1	24,947	1,184
CASH AND INVESTMENTS, JUNE 30	<u>\$ 13,001</u>	<u>5,427</u>

Note - The monies of the Senate Administrator's Fund are maintained in a separate bank account in the custody of Senate officials.

Appendix B

GENERAL ASSEMBLY AND SUPPORTING FUNCTIONS  
 SENATE  
 COMPARATIVE STATEMENT OF APPROPRIATIONS AND EXPENDITURES

	Year Ended June 30,								
	2008			2007			2006		
	Appropriation Authority	Expenditures	Lapsed Balances	Appropriation Authority	Expenditures	Lapsed Balances	Appropriation Authority	Expenditures	Lapsed Balances
<b>GENERAL REVENUE FUND - STATE</b>									
Senate contingent expenses	\$ 9,002,266	8,662,497	339,769	8,780,305	8,777,443	2,862	8,495,738	8,287,727	208,011
Salaries of members	1,071,448	1,062,093	9,355	1,071,448	1,070,143	1,305	1,071,448	1,044,056	27,392
Members' mileage	96,435	91,638	4,797	56,435	56,165	270	56,435	56,092	343
Members' per diems	226,100	206,665	19,435	226,100	220,913	5,187	226,100	213,110	12,990
General Assembly:									
Joint contingent equipment and expenses	125,000	38,921	86,079	100,000	87,457	12,543	100,000	59,325	40,675
Legislators' dues for professional organizations -									
National Conference of State Legislatures	169,850	169,850	0	155,042	155,042	0	40,000	40,000	0
National Conference of Commissioners on Uniform State Laws	36,000	36,000	0	36,000	36,000	0	0	0	0
Council of State Governments	128,897	128,897	0	0	0	0	0	0	0
Joint committee on Tax Policy -									
Personal service	51,500	44,233	7,267	50,000	42,458	7,542	0	0	0
Expense and equipment	25,000	13,359	11,641	25,000	5,660	19,340	0	0	0
Joint Committee on Administrative Rules	126,095	110,288	15,807	123,296	103,276	20,020	119,707	96,762	22,945
Joint Committee on Public Employee Retirement	164,835	152,265	12,570	160,525	147,571	12,954	155,000	129,164	25,836
Joint Committee on Capital Improvements and Lease Oversight	126,086	65,230	60,856	122,965	70,516	52,449	118,964	96,574	22,390
Joint Committee on Transportation Oversight	107,524	23,370	84,154	104,601	15,771	88,830	100,853	30,814	70,039
Joint Committee on Education -									
Expense and equipment	80,000	1,153	78,847	0	0	0	0	0	0
Total General Revenue Fund - State	<u>11,537,036</u>	<u>10,806,460</u>	<u>730,576</u>	<u>11,011,717</u>	<u>10,788,415</u>	<u>223,302</u>	<u>10,484,245</u>	<u>10,053,626</u>	<u>430,619</u>
<b>SENATE REVOLVING FUND</b>									
Contingent expenses	40,000	0	40,000	40,000	20,000	20,000	40,000	40,000	0
Total All Funds	<u>\$ 11,577,036</u>	<u>10,806,460</u>	<u>770,576</u>	<u>11,051,717</u>	<u>10,808,415</u>	<u>243,302</u>	<u>10,524,245</u>	<u>10,093,626</u>	<u>430,619</u>

Appendix C

GENERAL ASSEMBLY AND SUPPORTING FUNCTIONS

SENATE

COMPARATIVE STATEMENT OF EXPENDITURES (FROM APPROPRIATIONS)

	Year Ended June 30,				
	2008	2007	2006	2005	2004
Salaries and wages	\$ 8,640,511	8,522,439	8,222,764	8,292,016	8,576,051
Travel, in-state	446,877	400,959	421,169	350,309	362,763
Travel, out-of-state	27,243	16,800	13,843	220	287
Supplies	605,971	546,397	543,526	445,593	568,861
Professional development	363,466	206,082	53,444	65,664	105,562
Communication services and supplies	135,362	145,393	167,177	166,378	219,810
Services:					
Business and professional	80,197	59,008	30,666	94,286	104,642
Housekeeping and janitorial	73,077	73,801	73,249	74,094	50,720
Maintenance and repair	65,358	44,077	106,765	139,391	137,133
Computer equipment	81,485	84,690	320,333	117,444	75,420
Office equipment	114,920	599,767	34,718	35,594	11,860
Other equipment	32,204	1,013	5,304	7,153	23,225
Building lease payments	50,364	35,541	35,348	50,503	60,140
Equipment rental and leases	77,788	58,368	54,492	5,105	5,490
Miscellaneous expenses	11,637	14,080	10,828	31,161	22,684
Total	\$ <u>10,806,460</u>	<u>10,808,415</u>	<u>10,093,626</u>	<u>9,874,910</u>	<u>10,324,648</u>

Appendix D

GENERAL ASSEMBLY AND SUPPORTING FUNCTIONS  
 SENATE  
 STATEMENT OF CHANGES IN GENERAL CAPITAL ASSETS

All Funds	Furniture and Equipment	Vehicles	Total
Balance, July 1, 2005	\$ 1,788,066	22,042	1,810,108
Additions	164,745	0	164,745
Dispositions	(231,189)	0	(231,189)
Balance, June 30, 2006	1,721,622	22,042	1,743,664
Additions	619,505	2,000	621,505
Dispositions	(77,281)	0	(77,281)
Balance, June 30, 2007	2,263,846	24,042	2,287,888
Additions	159,002	0	159,002
Dispositions	(111,123)	0	(111,123)
Balance, June 30, 2008	\$ <u>2,311,725</u>	<u>24,042</u>	<u>2,335,767</u>