Office of Missouri State Auditor

Nicole Galloway, CPA

Office of Governor

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CITIZENS SUMMARY

Findings in the audit of the Office of the Governor

Payment of Operating Costs by Other State Agencies	As noted in prior audits, the Governor's office continued to supplement operations using appropriations of other state agencies. The office increased this practice despite appropriation bill provisions prohibiting most state agencies from paying staffing and travel costs of the Governor's office. In addition, the office delayed some payments until the following fiscal year, circumventing the appropriation process established by the General Assembly. As a result, the Governor's office under reported the true costs of operating the office. In total for the 2 years ended June 30, 2016, the operating expenditures of the office, mansion, and Governor's Security Division effectively exceeded appropriated amounts by at least $2.2 million.
Boards and Commissions	The Governor's office did not have adequate procedures to ensure vacancies and expired terms on boards and commissions were filled timely, or to dissolve them when they were no longer needed. In addition, related records were not always complete and accurate.
Mansion	As noted in the prior audit, the Governor's office did not ensure fees charged for mansion events sponsored by outside entities were sufficient to fully recover event costs; did not document information required by state policy for events hosted by the Governor; and did not segregate accounting duties. Mansion costs to the state increased from about $176,000 in fiscal year 2013 to about $359,000 in fiscal year 2016.
Use of State Resources for Political and Personal Purposes	The Governor used the security and transportation resources provided by the MSHP for all official, political, and personal activities. The state also paid the personal food costs for the Governor and his family. The Governor did not reimburse the state for any political or personal use of state resources. Based on flight utilization records and the Governor's official calendar, the number of Governor's flights between Jefferson City and St. Louis significantly increased near the end of his term when he began staying some nights at his new residence in St. Louis.
Employee Travel	As similarly noted in two prior audit reports, the Governor's office did not take adequate measures to minimize travel costs. The office did not always evaluate whether commercial flights would be more economical than state planes for out-of-state trips. Employees often made lodging reservations without performing price comparisons to ensure costs were reasonable.
Personnel Policies and Procedures	As noted in the prior two audits, the Governor's office did not establish comprehensive written policies and procedures for the operation of the office and did not prepare performance appraisals for employees.

Capital Assets	Records and procedures to account for the Governor's office and mansion property were not adequate. Capital asset records were incomplete and inaccurate, and annual physical inventories of mansion assets were not performed.

In the areas audited, the overall performance of this entity 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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Honorable Jeremiah W. (Jay) Nixon
and
Honorable Eric R. Greitens, Governor
Jefferson City, Missouri

We have audited certain operations of the Office of Governor, in fulfillment of our duties under Chapter 29, RSMo. The scope of our audit included, but was not necessarily limited to, the period July 1, 2016 to January 9, 2017, and the years ended June 30, 2016 and 2015. The objectives of our audit were to:

1. Evaluate the office's internal controls over significant management and financial functions.

2. Evaluate the office's compliance with certain legal provisions.

3. Evaluate the economy and efficiency of certain management practices and procedures, including certain financial transactions.

Our methodology included reviewing written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the office, 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. 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 objectives, and we assessed the risk that illegal acts, including fraud, and violations of applicable contract, grant agreement, 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.

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

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of the Office of Governor.

Nicole R. Galloway, CPA
State Auditor

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1. Payment of Operating Costs by Other State Agencies

As noted in prior audits, the Governor's office continued to supplement operations by using appropriations of other state agencies. The Governor's office increased this practice despite appropriation bill provisions prohibiting most state agencies from paying staffing and travel costs of the Governor's office. In addition, the Governor's office delayed some payments until the subsequent fiscal year, also circumventing the appropriation process established by the General Assembly. As a result, the Governor's office under reported the true costs of operating the office.

If the Governor's office had not allocated expenses to other state agencies or delayed payments until the subsequent fiscal year, appropriation authority of the office and mansion would have been exceeded in fiscal years 2016 and 2015, and the Governor's Security Division (GSD) in fiscal year 2016. In total for the 2 years ended June 30, 2016, the operating expenditures of the office, mansion, and GSD effectively exceeded appropriated amounts by at least $2.2 million.

Although similar practices were noted in audits of former Governors, the magnitude of shifting costs to other state agencies increased under Governor Nixon's administration. For the year ended June 30, 2010, Governor Nixon's first full fiscal year in office, approximately $668,000 was shifted to other state agencies. For the year ended June 30, 2016, these costs exceeded $1.4 million.

The Governor's office receives appropriations from the state General Revenue Fund annually for the operating costs of the office, mansion, and GSD. Office operating appropriations totaled approximately $2 million and the mansion appropriation totaled approximately $100,000 each of fiscal years 2016 and 2015. Appropriations for the GSD operated by the Department of Public Safety (DPS) - Missouri State Highway Patrol (MSHP), were transferred from the MSHP to the Governor's office in fiscal year 2016. GSD appropriations totaled approximately $1.8 million for fiscal year 2016.

1.1 Staffing and travel costs

State agencies paid personnel and travel costs totaling at least $1,038,000 for employees of the Governor's office, mansion, and GSD during the 2 years ended June 30, 2016. Additionally, 2 employees who resigned near the end of the Governor's term received annual leave payouts totaling $18,907 during fiscal year 2017 from appropriations of other agencies. The Governor's office and the mansion had 29 employees and the GSD had 13 employees as of June 30, 2016.

Governor's office and mansion personnel

During the 2 years ended June 30, 2016, the salaries of 7 Governor's office and mansion employees were paid entirely from appropriations of other state agencies. The Governor's office required 14 agencies to fund the salaries of the Directors of the St. Louis and Kansas City regional offices;

the Director and Deputy Director of Boards and Commissions; and the Mansion Executive Director, Assistant Director, and Cook. These positions were paid by other state agencies, although the employees in these positions performed duties for the Governor's office, were physically located in offices of the Governor or mansion, and were supervised by Governor's office personnel.

The salaries of the 7 positions paid by other state agencies are listed in the following table:

	Year Ended June 30,	
State Agency	2016	2015
Agriculture	$ 5,513	4,807
Corrections	1,685	3,021
Economic Development	122,911	120,043
Elementary and Secondary Education	6,073	5,050
Health and Senior Services	7,378	6,698
Higher Education	611	576
Insurance, Financial Institution and Professional Registration	21,830	19,372
Labor and Industrial Relations	2,995	2,826
Mental Health	2,480	1,613
Natural Resources	117,152	94,829
Office of Administration	7,470	6,979
Public Safety	10,877	9,616
Revenue	62,340	61,346
Social Services	6,033	12,388
Total	$ 375,348	349,164

In addition, the agencies reimbursed these employees' travel expenses totaling about $650 during the 2 years ended June 30, 2016.

GSD personnel

Despite receipt of appropriations for GSD costs, some personnel and travel costs of the GSD continued to be paid from MSHP appropriations. Personnel of the GSD within the MSHP provide security services for the Governor. Prior to fiscal year 2016, the costs of the GSD were paid entirely from appropriations of the MSHP, and averaged about $1.88 million annually during fiscal years 2012 through 2015 (excluding vehicle and fuel costs, which continued to be paid from MSHP appropriations). Beginning in fiscal year 2016, the Governor's office received appropriations of about $1.8 million for the GSD's expenses, and the corresponding appropriations of the MSHP were reduced. According to an MSHP official, the Governor's office GSD appropriations were intended for all costs of the GSD except for vehicles and fuel, which would continue to be paid from MSHP appropriations. However, the amount appropriated to the Governor's office was not sufficient for the GSD salaries, fringe benefits, and travel; and consequently, some of those costs continued to be paid from appropriations of the MSHP. For fiscal year 2016, GSD personnel costs totaling approximately $192,000 and travel costs totaling approximately $121,000 were charged to MSHP appropriations. A comparative statement of GSD expenditures from MSHP appropriations is included at Appendix C.

Other personnel

Costs associated with additional personnel that provided services to the Governor's office could not be identified because these personnel did not separately account for and report their time spent on work performed for the Governor's office and/or the mansion. Office of Administration (OA) employees perform budget, purchasing/expenditure, payroll, and capital asset processing duties, and Department of Corrections (DOC) employees supervise inmates that work at the mansion. These employees were paid from OA and DOC appropriations.

Annual leave payouts

Two of 16 employees who resigned near the end of the Governor's term received compensation from appropriations of other agencies for accumulated annual leave balances. The annual leave payouts to these employees totaled $18,907. The payments came from appropriations of the Department of Economic Development (DED) ($13,121) in February 2017, and the Department of Social Services ($5,786) in January 2017. The salaries of these employees were paid from appropriations of the Governor's office.

1.2 Flights on state planes

The DED paid costs for Governor's office personnel travel on state planes. In addition, the Governor's office paid flight costs from appropriations of the subsequent year.

Flight costs paid by the DED

For flights of Governor's office personnel, the Governor's office paid $378,000 for all or part of 175 flights and the DED paid $183,000 for all or part of 69 flights, or 33 percent of total Governor's office flight costs paid during the 2 years ended June 30, 2016. In total, these flights represented approximately 85 percent of flight costs for all state personnel. While flight records supporting each of the flights paid by the DED, which were taken from September 2014 to December 2015, indicated the flight purpose included economic development announcements or meetings, many of the flights included additional purposes including announcements and meetings of other state agencies, disaster assessments and meetings, and national governors' meetings. Most of these flights only included the Governor and members of his staff and family, and some included personnel of other state agencies. Flight documentation showed DED personnel were not present on 61 of the 69 flights. Our prior audit noted a different agency, the DPS, paid costs for travel of Governor's office personnel on state planes while many of the flights did not relate to activities of that department.

Flight costs paid from subsequent appropriations

The Governor's office made payments for flights on state planes with Governor's office appropriations of the subsequent year. Billings for flights from October 2014 through April 2015 totaling about $49,000 were paid in June 2016 from fiscal year 2016 appropriations, although the costs were incurred and billings received during fiscal year 2015. Similarly, billings for flights in December 2015 and February 2016 through April 2016 totaling about $40,000 were paid in September 2016 and January 2017 from fiscal year 2017 appropriations. The billings were not paid from current year appropriations because insufficient Governor's office appropriations remained for those years.

1.3 Other expenses

During the 2 years ended June 30, 2016, state agencies paid association dues and other expenses, totaling approximately $924,000, of the Governor's office, mansion, and GSD.

The Governor's office required 12 agencies to pay the following operating expenses:

		Year Ended June 30,	
Operating Expenses		2016	2015
Association Dues:[1]			
Agriculture	$	312	583
Corrections		6,438	10,771
Economic Development		1,997	3,792
Health and Senior Services		11,201	17,866
Insurance, Financial Institution and Professional Registration		347	564
Labor and Industrial Relations		1,344	2,197
Mental Health		14,846	24,023
Natural Resources		0	5,313
Office of Administration		25,040	3,984
Public Safety		5,395	9,567
Revenue		5,185	8,349
Social Services		80,015	133,191
Telecommunication and data center services:			
Office of Administration		63,818	72,369
Computer equipment and software expenses:			
Office of Administration		33,727	41,814
Postage and printing services:			
Office of Administration		9,373	9,392
Travel and fleet services:			
Office of Administration		1,460	2,535
Mansion food and other expenses:			
Natural Resources[2]		132,869	98,831
Office of Administration[3]		28,687	32,413
GSD fuel and other expenses:			
Public Safety - MSHP		24,277	0
Total	$	446,331	477,554

[1] National Governors Association and Southern Governors' Association dues
[2] Certain costs of mansion considered to be historical and/or cultural in nature were charged to Department of Natural Resources (DNR) appropriations.
[3] Wages paid for inmates that worked at the mansion

Conclusions

Each agency appropriation bill (except the Department of Public Safety, for necessary travel in the event of a statewide emergency) provides: ". . . no funds . . . shall be expended for the purpose of costs associated with travel or staffing for the offices of the Governor, Lieutenant Governor, Secretary of State, State Auditor, State Treasurer, or Attorney General." In addition to violating appropriation provisions, the practice of paying Governor's office, mansion, and GSD personnel and expenses from the appropriations of other state agencies makes it difficult to establish accountability for the true and accurate costs of operating the Governor's office. This practice limits accountability and transparency over certain Governor's office expenditures and distorts the operating costs of both the Governor's office and the state agencies paying the Governor's expenses. Additionally, delaying payments on billings until subsequent fiscal years distorts annual operating costs and creates future budgetary problems. The Governor's office needs to take measures to reduce office and mansion expenses and work with the MSHP to reduce GSD expenses to ensure expenditures are within the approved appropriation authority, similar to efforts by other statewide elected officials and state agencies.

Recommendation

The Office of Governor discontinue the practice of using other agency appropriations to pay the operating costs of the Governor's office and delaying payments on billings to the subsequent fiscal year. The Governor's office should request funding levels sufficient to pay all operating costs of the office, mansion, and GSD from its own appropriations and ensure expenditures do not exceed office appropriation authority. If other agency personnel perform duties related to the operation of the Governor's office, their time should be recorded and paid from the Governor's office appropriations.

Auditee's Response

The former Deputy Chief of Staff to Governor Nixon provided the following written response:

The office accounted for its operational costs in a manner that properly reflected the nature of the work it performed.

Current Governor Greitens' administration indicated they had no comment to provide about the finding.

2. Boards and Commissions

The Governor's office did not have adequate procedures to ensure vacancies and expired terms on boards, commissions, committees, councils, etc. (boards) were filled timely, and applicable statutes or executive orders were repealed when boards are no longer needed. Additionally, the Governor's office records were not always complete and accurate.

Boards are created for various purposes by state statute or by a Governor's Executive Order. The Governor is required to appoint the majority of the members of the boards, often with the approval of the Missouri Senate. The Governor's office maintains records of each board including members' names, terms, vacant positions and expired terms; and publishes the information on the Governor's office website. Our review of records as of May 2016 noted there were approximately 220 boards, of which over 120 had vacant Governor-appointed positions and approximately 160 had positions with expired Governor-appointed terms. These boards had about 2,000 positions, of which about 1,600 were Governor-appointed positions and about 330 (20 percent) of those positions were vacant and about 800 (50 percent) had expired terms. In total, about 1,130 (70 percent) Governor-appointed positions needed to be addressed.

The authorizing statutes or executive orders specify member background requirements, the length of terms, and who appoints and approves the members. Members are often required to represent diverse interests and/or specific experiences such as political party affiliation, geographic residence, or profession. Terms are often 3, 4, or 6 years, and members are generally expected to serve until replaced, even after their term expires. Members generally serve without compensation.

Vacancies occur as terms expire and members resign from their positions. The Governor's office is generally made aware of vacancies by the applicable board or the resigning member. The Governor's office reviews each member application and background checks are performed on applicants considered for appointment.

2.1 Board vacancies and expired terms

The Governor's office did not have adequate procedures to ensure vacant positions and expired terms were filled timely. Our review of board vacancies disclosed several boards with significant numbers of vacancies, some without enough members for a quorum and some with long-standing vacancies. Our review also disclosed several boards with positions having long-standing expired terms.

From the over 120 boards with governor-appointed vacancies as of May 2016, we reviewed the 12 boards that had the highest vacancy rate and likely lacked sufficient appointed members for a quorum. Due to concerns regarding the accuracy and sufficiency of Governor's office board records, we selected an additional 10 boards with vacancies and/or expired terms to review membership records of the boards. In total, we reviewed 22 boards with 130 vacancies as of May 2016. At that time, the additional 10 boards reviewed had 33 expired terms.

No quorum

In total, 12 of the approximately 220 boards, or 5 percent, did not have enough members to have a quorum and conduct business. For each of these 12 boards, the Governor's office had not timely filled vacancies, rescinded obsolete executive orders, and/or worked with the General Assembly to repeal obsolete state laws. Governor's office records indicated most of the positions of each of these boards were vacant as of May 2016. A Governor's office official indicated 3 of the boards were active while 9 were inactive or no longer needed.

For the 3 active boards [Governor's Committee to End Homelessness, Missouri Brain Injury Advisory Council (MBIAC), and Missouri Citizens' Commission on Compensation for Elected Officials (MCCCEO)]; the vacancies resulted in a lack of quorum, thereby precluding the board from conducting business. The number of governor-appointed vacancies on each of these boards ranged from 8 to 15. Subsequent to our review, the Governor made an interim appointment to the MBIAC in July 2016 and 10 interim appointments to the MCCCEO in November 2016, filling enough positions on these 2 boards for a quorum.

For 9 boards,[1] a Governor's office official indicated the vacancies, ranging from 4 to 17 per board, were not filled because the boards were inactive or no longer needed. The official provided the following explanations regarding these boards (1) the functions of the board are being performed by a state agency, (2) statewide interest in the issue no longer exists, (3) related funding has not been appropriated, (4) the Missouri Senate did not act to confirm appointed members so the committee was never established, (5) federal law eliminated the need for the committee, and (6) the functions of the committee were repealed in other sections of state law. However, the Governor had not rescinded the executive orders and the General Assembly had not repealed state statutes creating these boards.

Long-standing vacancies

For the 10 additional boards[2] reviewed, with vacancies in 20 of 77 (26 percent) governor-appointed positions, board records indicated 14 of the positions had been vacant for more than 1 year. For these 14 positions, 2 had been vacant since 2014, 3 since 2013, 2 since 2012, 4 since 2011, 1 since 2010, 1 since 2009, and 1 since 2005. Two of the vacancies occurred because the Senate did not confirm appointments made by the Governor in 2011 and 2014 and subsequent appointments did not occur. Following our review, another vacancy arose and the Governor made interim appointments

[1] Entrepreneurial Development Council, Governor's Advisory Council on Physical Fitness and Health, Missouri Area Health Education Centers Council, Missouri Electronic Prior Authorization Committee, Missouri Health Insurance Pool, Professional Services Payment Committee, State Board of Health, State Board of Senior Services, and Unmarked Human Burial Consultation Committee.

[2] Coordinating Board for Higher Education, Missouri Consolidated Health Care Plan Board of Trustees, Missouri Development Finance Board, Petroleum Storage Tank Insurance Fund Board of Trustees, Board of Therapeutic Message, State Highways and Transportation Commission, Missouri Technology Corporation, State Milk Board, State Lottery Commission, and Missouri Housing Development Commission.

for 2 vacancies in October 2016 and 1 in December 2016 and 2 appointments in January 2017 that did not require Senate confirmation.

Long-standing expired terms

Nine of the 10 additional boards reviewed had 33 of 77 (43 percent) Governor-appointed positions with expired terms. Board records indicated the terms of 29 of the 33 positions had been expired for more than 1 year. For these 29 positions, the terms of 3 positions had been expired since 2014, 6 since 2013, 8 since 2012, 4 since 2011, 5 since 2010, 1 since 2009, and 2 since 2006. Subsequent to our review, 2 of the positions with expired terms became vacant in July and September 2016, while the terms of 3 additional Governor-appointed positions of these boards expired in June and September 2016. The Governor made appointments to replace 2 board positions with expired terms in December 2016 and 6 in January 2017 that did not require Senate confirmation.

According to an official of the Governor's office and representatives from the 10 boards, the process for filling vacancies and expired terms is often difficult and lengthy because (1) qualified individuals with the requisite background, political affiliation, geographic location, etc., are often hard to find; (2) qualified individuals are sometimes unwilling to serve or apply for the position; (3) the Missouri Senate sometimes does not confirm appointments; and/or (4) the volume of boards and positions is large.

Conclusions

Procedures to fill board vacancies timely are necessary to ensure boards have sufficient members to function properly. Unfilled vacancies can make it more difficult or impossible for boards to establish a quorum to meet and conduct business. Also, unfilled vacancies may prevent balanced decision-making on boards as the backgrounds and interests associated with the vacant positions would not be represented. Not timely replacing members with expired terms appears to violate the intent of statutory term length provisions. For any boards or commissions that are no longer needed, the Governor's office should rescind the related executive order or work with the General Assembly to repeal the related statutes.

2.2 Incomplete and inaccurate records

The Governor's office did not always maintain complete and accurate records of board members, vacancies, and expired terms. Formal procedures have not been established to periodically contact the boards for up-to-date board member information, and in some instances the Governor's office relied on the boards to provide notification when board member changes occurred.

For 1 of the 10 boards with vacancies and/or expired terms reviewed (State Milk Board), the Governor's office did not have up-to-date records. Governor's office records indicated the board had a vacancy as of May 2016, but the board's records listed 4 vacancies. The board's records showed the additional 3 positions had been vacant since April 2016, October 2013, and February 2011. Governor's office records listed these 3 positions as expired terms. An official from the Governor's office indicated the board had not notified the office of the vacancies. In addition, the Governor's office board records do not indicate the date positions became vacant; and as a result, the Governor's office does not have information regarding the age of vacancies.

Complete, accurate, and up-to-date records regarding board members are necessary for the Governor's office to monitor board vacancies and expired terms, and appoint board members. Without such information, the Governor's office and the public are not aware of vacant positions and expired terms. To ensure records of board and commissions are up-to-date, procedures should be established to periodically contact boards for current information regarding board members, vacancies, and expired terms and update board records for any new information received. In addition, maintaining records of position vacancy dates would allow the Governor's office to monitor the age of vacancies and prioritize appointment efforts.

Recommendations

The Office of Governor:

2.1 Work with the various boards to fill vacancies and expired terms timely. In addition, if boards are no longer needed for the purposes created, the Office of Governor should rescind the related executive order or work with the General Assembly to repeal the related statutes.

2.2 Establish procedures to ensure board and commission records are complete, accurate, and up-to-date.

Auditee's Response

The former Deputy Chief of Staff to Governor Nixon provided the following written response:

The Governor's Office worked to ensure that qualified Missourians willing to serve were appointed and nominated for service on various boards and commissions. After nomination, the Governor's Office submitted these individuals for confirmation by the Missouri Senate, which did not always occur in a timely fashion. It should also be noted that Missouri law allows an appointed individual serving in a term beyond the term's expiration date to retain the full authority to act as a member of the board or commission.

Current Governor Greitens' administration indicated they had no comment to provide about the findings.

3. Mansion

As noted in the prior audit, the Governor's office did not ensure the fees charged for mansion events sponsored by outside entities were sufficient to fully recover event costs; did not document information required by state policy for events hosted by the Governor; and did not segregate the duties related to billing and receipting payments for mansion events.

During the 2 years ended June 30, 2016, the Governor's office paid costs of mansion operations and events from multiple funding sources including the mansion appropriation, the Mansion Donation Fund, and appropriations of other state agencies. Each year, the Governor's office spent all or most of its mansion appropriation totaling approximately $100,000. In fiscal year 2010, the Mansion Donation Fund was established within the State Facility Maintenance and Operation Fund to accept donations and fees for payment of costs of mansion events and operating costs. In addition, as noted in MAR finding number 1, the Governor's office paid some mansion costs from DNR and OA appropriations.

Mansion costs, and the portions paid by other state agencies, increased in recent years. Mansion costs to the state totaled about $176,000 in fiscal year 2013, of which about $29,000 (16 percent) was paid from appropriations of other state agencies; while these costs increased to about $359,000 in fiscal year 2016, of which about $267,000 (74 percent) was paid by other state agencies. Mansion costs increased due to hiring of additional mansion staff and rising costs of food and mansion operations. Additionally, in recent years the mansion held fewer billable events (outside entity-sponsored) relative to non-billable events (Governor-hosted), resulting in less receipts to offset the increased costs. The mansion costs paid by other agencies increased beginning in fiscal year 2014 when the Governor's office began using DNR appropriations to pay certain mansion expenses considered to be historical and/or cultural in nature.

Mansion operating costs include salaries, general upkeep of the mansion, food provided to the Governor and his family, and food and entertainment costs associated with various events held at the mansion. For events sponsored by outside entities, the Governor's office charged and deposited fees into the Mansion Donation Fund. During the 2 years ended June 30, 2016, the mansion held 71 events with 47 hosted by the Governor and 24 sponsored by outside entities. During this period, the Governor's office received fees totaling approximately $32,000 for outside events. Governor's office personnel plan, schedule, and manage mansion events. Also, as noted in a subsequent finding, the Governor did not reimburse the state for costs related to the personal consumption of food.

Costs of the mansion paid by the Mansion Donation Fund, mansion appropriation, and other state agency appropriations are presented in the following table.

	Year Ended June 30,								
	2016				2015				
		Appropriation(s)				Appropriation(s)			
	Mansion Donation Fund[1]	Mansion	Other Agencies[2]	Total	Mansion Donation Fund[1]	Mansion	Other Agencies[2]	Total
Expenses								
Salaries	$ 0	27,600	105,332	132,932	0	24,070	85,892	109,962
Food	12,175	43,747	74,020	129,942	0	34,375	58,244	92,619
Other[3]	6,805	27,058	87,536	121,399	1,546	40,140	73,000	114,686
Total	$ 18,980	98,405	266,888	384,273	1,546	98,585	217,136	317,267
Less Receipts				(24,988)				(7,114)
Total State Costs	$			359,285				310,153

[1] A Comparative Statement of Receipts, Disbursements, and Changes in Cash and Investments for the Mansion Donation Fund is included at Appendix D.

[2] DNR and OA appropriations (see MAR finding number 1).

[3] Includes inmate wages.

3.1 Outside entity-sponsored events

Although recommended in the prior audit, the Governor's office did not analyze the costs of outside entity-sponsored events or determine if fees were sufficient to fully recover event costs. In 2015, mansion personnel revised the menu and menu prices. The Mansion Director indicated menu prices were increased to reflect increased food costs; however, no documentation was prepared or maintained to support the basis for the prices. Additionally, the fees for facility usage, labor, and miscellaneous have not been reviewed and updated since 2010.

To ensure the costs of mansion events sponsored by outside entities are fully recovered, the Governor's office should analyze the costs associated with outside events and revise the fee schedule and menu prices as necessary. Such analysis and revisions should be periodically performed and documented.

3.2 Governor-hosted events

Governor's office personnel did not prepare documentation to support the business purpose and costs of food served at events hosted by the Governor, as required by state policy. As a result, there is no record of the costs of and justification for Governor-hosted events paid by the state.

During the 2 years ended June 30, 2016, the Governor hosted 25 dinners, 11 receptions, 4 luncheons, 2 barbeques, 1 breakfast, and 4 other public events at the mansion. Several events have been held annually, including a dinner attended by statewide officeholders and directors/leadership personnel from various state agencies and several dinners and a barbeque attended by members of the general assembly. According to the Mansion Executive Director, the Governor hosts these events to help maintain positive working relationships with state legislators and department officials. However, such information was not documented in any of the records supporting 2 events reviewed, a luncheon with 46 attendees and a gala with 150 attendees. These events primarily consisted of a meal or appetizers and refreshments and brief remarks from the Governor or others. While records of these events included a general description (e.g. luncheon or gala), date and time, menu, a schedule of events, and a guest listing; a detailed business purpose and the food costs were not documented.

State agency provided food policy (SP-5) requires dinners and luncheons have a business purpose, and documentation be maintained of the state business conducted and the costs of the food. To demonstrate Governor-hosted events are reasonable, necessary, and prudent uses of public funds and facilities, the Governor's office should ensure event documentation includes a clearly-detailed purpose and the cost of food provided.

3.3 Segregation of duties

The Governor's office did not segregate the duties of billing and receipting payments from outside entities for mansion events, and independent or supervisory reviews of related records were not performed. During the audit period, the Mansion Executive Director prepared event billings, received and processed payments, and monitored unpaid amounts. There was no independent review of event accounting records or comparison of event billings to receipts and accounts receivable records.

Proper segregation of duties is necessary to ensure all transactions are accounted for properly and assets are adequately safeguarded. Internal controls would be improved by segregating the duties of billing, receiving and recording monies, and monitoring accounts receivable records. If proper segregation of duties cannot be achieved, documented independent or supervisory reviews of event billing and receipt records should be performed.

Recommendations

The Office of Governor:

3.1 Analyze the costs associated with outside events and revise the menu prices and fee schedule if necessary. Such analysis and revisions should be periodically performed and documented.

3.2 Ensure documentation supporting Governor-hosted events includes a clearly-detailed purpose and the cost of food provided.

3.3 Segregate accounting duties to the extent possible or ensure adequate independent or supervisory review of event billing and receipt records are performed and documented.

Auditee's Response

The former Deputy Chief of Staff to Governor Nixon provided the following written response:

The Governor's Mansion is a unique facility serving multiple and varied purposes. There is no other state facility like it, nor is there other state government staff performing the same functions as the mansion staff.

Current Governor Greitens' administration indicated they had no comment to provide about the findings.

4. Use of State Resources for Political and Personal Purposes

State laws are ambiguous and contradictory regarding the use of state resources by the Office of Governor for political and personal purposes. The Governor used the security and transportation resources provided by the MSHP for all official, political, and personal activities. The state also paid the personal food costs for the Governor and his family. The Governor did not reimburse the state for any political or personal use of state resources.

Based on flight utilization records and the Governor's official calendar, the number of Governor's flights between Jefferson City and St. Louis significantly increased near the end of his term when he began staying some nights at his new residence in St. Louis. Of the Governor's 28 flights in state airplanes from October 27, 2016, to January 9, 2017, 24 (86 percent) included stops in the St. Louis area; while only 38 percent of flights during the preceding 12-month period had stops in the St. Louis area. On the dates of 16 of the 24 flights, totaling about $33,200, the calendar indicated the Governor was at his residence in St. Louis. The calendar showed the Governor attended events in St. Louis the day before, day of, or day after 15 of the flights. One flight was not associated with events in the St. Louis area and was likely for the purpose of transporting the Governor back to Jefferson City after spending two weekend nights at his residence. Most of the trips where the Governor went to his residence necessitated two round trip flights from Jefferson City to St. Louis, one to take him and one to pick him up. One or more state employees were also aboard most of these flights.

Section 43.330, RSMo, allows the GSD within the MSHP to ". . . provide transportation, security, and protection for the governor and the governor's immediate family." This section makes no distinction between official state business and events that are personal or political, and it is not clear whether the intent of this legislation was to allow the use of state resources for the Governor's political or personal activities. Article III, Sections 38(a) and 39, Missouri Constitution, prohibit the use of state resources for personal or private gain. In addition, there is no specific provision in state law allowing a state official to use any state resource for anything other than official use.[3]

As a general rule, state resources should be used for a public purpose, for the benefit of the general public, and not for political or personal gain. If the state intends to allow the Governor to use state resources for anything other than official state purposes, legislation should be pursued to clearly allow this practice and other related conditions, such as reimbursement, of such use. At a minimum, until such provisions are established, with the possible exception of security, the use of any state resource by the Governor for purposes other than official state business should be reimbursed or discontinued.

A similar condition was noted in prior audit reports covering the terms of both Governor Nixon and Governor Blunt.

Recommendation

The Office of Governor pursue legislation regarding its use of state resources, including those of the MSHP, for anything other than official use. With the possible exception of security, until state law is clarified, the Governor should reimburse the state for the use of state resources for purposes other than official state business (except for de minimis activities) or discontinue such use.

Auditee's Response

The former Deputy Chief of Staff to Governor Nixon provided the following written response:

The office followed state laws regarding use of state resources consistent with previous governors. The governor is on duty at all times.

Current Governor Greitens' administration indicated they had no comment to provide about the finding.

5. Employee Travel

As similarly noted in the prior two audit reports, the Governor's office did not take adequate measures to minimize travel costs.

5.1 Out-of-state flights

The Governor's office did not always evaluate whether commercial flights would be more economical than state planes for out-of-state trips. The Governor's office paid costs for out-of-state flights totaling approximately $67,000 for 12 flights on state planes and approximately $5,700 for flights

[3]Federal executives, such as the President, must abide by various federal rules, regulations, and ethics laws governing the use of federal resources for political use. For example, if a presidential trip includes multiple stops, some for political events and some for official purposes, travel costs are allocated between the campaign and the federal government. The President does not reimburse for any security costs, but he is required to pay for personal items such as food.

on commercial airlines during the 2 years ended June 30, 2016. Each trip included the Governor, the First Lady, and/or one or more Governor's office staff.

Flights on state planes, especially those associated with trips lasting multiple days, can be more costly than commercial flights because the costs include the wait time and travel expenses of the pilots and the plane. For a 5-day trip to a conference in Washington D.C. in February 2015, the Governor, First Lady, and certain staff flew on the state plane for an average cost of $1,385 per passenger one-way; while other staff flew on commercial flights for an average of $258 per person one-way. Comparing the costs of commercial flights to state planes when traveling out-of-state helps ensure the most economical use of state resources. If the higher cost alternative is chosen, the circumstances and justification for the decision should be documented.

5.2 Lodging

Employees often made lodging reservations without performing price comparisons or other procedures to ensure lodging costs were reasonable. During the 2 years ended June 30, 2016, the Governor's office paid $7,600 for in-state and $54,372 for out-of-state lodging costs, from the Governor's office and mansion appropriations.

Most lodging expenses reviewed exceeded Continental United States (CONUS) lodging rates (federal employee per diem maximums, established by the U.S. General Services Administration). We reviewed 18 trips of the Governor and/or office employees for 1 or more nights, and noted lodging costs for 15 of the 18 trips exceeded CONUS rates. The Governor's office did not document price comparisons or other procedures performed, or why the higher lodging cost was necessary and reasonable for any of the 15 trips.

Our review of lodging costs totaling approximately $40,000 for 13 out-of-state trips to conferences, conventions, and meetings noted costs exceeded CONUS rates for 11 trips. For example, the Governor's office paid lodging costs of $232 per night in Nashville, Tennessee ($132 CONUS rate); $279 and $479 per night in White Sulfur Springs, West Virginia ($89 CONUS rate); $599 per night in Detroit, Michigan ($115 CONUS rate); and $554, $649 and $719 per night in Washington D.C ($179 CONUS rate). In total, the Governor's office paid lodging costs in excess of CONUS rates by approximately $14,000 for the 11 trips.

Our review of lodging costs totaling approximately $3,400 for 5 in-state trips noted costs exceeded CONUS rates for 4 trips. The Governor's office paid room rates of $169 for 1 night for 3 rooms in August 2014 and 6 rooms in August 2015 in Sedalia ($83 and $89 CONUS rates); $189 for 1 night for 2 rooms in St. Louis ($125 CONUS rate); and an average of $104 per night for 3 nights in Jefferson City ($83 CONUS rate). In total, the Governor's office paid lodging costs in excess of CONUS rates by approximately $900 for these trips.

In cities where multiple hotels or motels are located, lodging can often be procured at rates less than CONUS rates. The state travel policy (SP-6) requires that "in areas where comparable accommodations are available at significantly different prices you should seek prior approval before selecting higher priced lodging and document the reason(s) for selecting the higher priced lodging. Key issues that determine hotel acceptability to the State include accountability, transparency, price, safety, convenience, ease of booking and payment, oversight and issue resolution." The policy also provides that CONUS rates should be used as a benchmark when evaluating lodging costs. Procedures requiring performing price comparisons and ensuring rates do not exceed CONUS rates are necessary to demonstrate compliance with state policies and ensure lodging costs are reasonable. Documentation should be maintained to support any lodging expenses exceeding CONUS rates.

Recommendations

The Office of Governor:

5.1 Prepare and retain a comparison of the costs of commercial flights to the costs of using state planes for out-of-state travel; and if the higher cost alternative is chosen, the circumstances and justifications should be documented and retained.

5.2 Require employees to perform price comparisons and ensure rates do not exceed CONUS rates when making lodging arrangements. If it is necessary to exceed CONUS rates, the Governor's office should ensure adequate documentation of the reason is prepared and retained.

Auditee's Response

The former Deputy Chief of Staff to Governor Nixon provided the following written response:

The office followed state travel policy. On occasion, circumstances required some deviations from the policy, but efforts to ensure the most cost-effective means were implemented.

Current Governor Greitens' administration indicated they had no comment to provide about the findings.

6. Personnel Policies and Procedures

As noted in the prior two audits, the Governor's office did not establish comprehensive written policies and procedures for the operation of the office and did not prepare performance appraisals for employees.

6.1 Employee manual

The Governor's office did not develop a written comprehensive employee manual to address issues such as working hours, performance appraisals, lines of authority, code of conduct, use of state resources, and other items of importance to employees. According to an official of the Governor's office, such information was communicated to employees verbally, but was not formalized in a policy manual due to the small number of employees employed by the office.

A comprehensive employee manual that details policies and procedures can benefit both the office and employees by providing an understanding between management and employees regarding rights and responsibilities. An employee manual can also provide guidance and control for the effective and consistent management of the office, help avoid misunderstandings, and ensure management's policies are fairly and consistently applied to all employees.

6.2 Performance appraisals

The Governor's office did not require preparation of performance appraisals for employees. According to an official of the Governor's office, formal appraisals were not prepared due to the small number of employees in the office.

Performance appraisals are needed to adequately evaluate employee performance and provide documented feedback to employees. Performance appraisals also assist in personnel decisions.

Recommendations

The Office of Governor:

6.1 Develop a comprehensive written employee manual.

6.2 Implement procedures to require annual performance appraisals be prepared for employees.

Auditee's Response

The former Deputy Chief of Staff to Governor Nixon provided the following written response:

The office acknowledges this recommendation.

Current Governor Greitens' administration indicated they had no comment to provide about the findings.

7. Capital Assets

Records and procedures to account for Governor's office and mansion property were not adequate. Capital asset records for the office and mansion were incomplete and inaccurate, and annual physical inventories of mansion assets were not performed.

Office

As noted in prior audits, the Governor's office did not update capital asset records in the statewide accounting system (SAM II) for discrepancies noted in annual physical inventories; and office capital asset records were overstated as a result. As of June 30, 2016, SAM II capital asset records still included the 25 items totaling $61,000 that office personnel had identified in multiple annual inventories as missing or transferred to another agency, some identified as far back as 2009.

Mansion

As similarly noted in prior audits, the Governor's office did not have adequate procedures to maintain complete and accurate capital asset records for the mansion.

The Governor's office did not update SAM II capital asset records for capital asset additions and deletions identified in previous years, and mansion capital asset records were understated as a result. As of June 30, 2016, a report of mansion capital assets from SAM II included only 24 items totaling approximately $57,500. Our two prior audits have reported 29 additional items, valued at $1,000 or more, included on a listing of mansion assets prepared in January 2009, but not recorded in SAM II. Our prior audit also reported 1 item included on mansion capital asset records/listings that could not be located and 6 items that were not recorded. Governor's office personnel could not explain why they had not updated the SAM II capital asset records for these items. An office official indicated a physical inventory occurred in June 2016; however, documentation of the inventory was not maintained and no changes were made to capital asset records.

Records and procedures

The Code of State Regulations, 15 CSR 40-2.031, requires each department to account for all acquisitions and dispositions of equipment items $1,000 or more, and to maintain adequate capital asset records that contain identification number; description of the item including name, make, model and serial number, where appropriate; acquisition cost; date of acquisition; estimated useful life at the date of acquisition; physical location in sufficient detail to readily locate the item; and method and date of disposition. An annual physical inventory of capital assets is required, and should be reconciled to capital asset records and the prior annual physical inventory, and documentation should be maintained of the physical inventory including the date, personnel performing the procedure, assets verified, and any adjustments needed to the inventory records. In addition, departments are required to establish controls over sensitive items less than $1,000.

The failure to maintain a complete and accurate inventory listing reduces the control and accountability over capital assets and increases the potential that loss, theft, or misuse will go undetected. In addition, annual inventories are necessary to establish proper accountability over capital assets, and documentation of the physical inventory should be retained to show compliance with state regulations. Discrepancies noted during annual inventories should be promptly investigated and necessary adjustments made to the capital asset records.

Similar conditions were noted in prior audit reports covering the terms of both Governor Nixon and Governor Blunt.

Recommendation

The Office of Governor ensure (1) complete and accurate capital asset records are maintained for office and mansion assets, (2) annual physical inventories are conducted and documented for all property, (3) discrepancies noted in annual inventories are promptly investigated and capital asset records properly adjusted, and (4) capital asset records are reconciled to SAM II records.

Auditee's Response

The former Deputy Chief of Staff to Governor Nixon provided the following written response:

Staff performed an annual inventory check.

Current Governor Greitens' administration indicated they had no comment to provide about the finding.

Office of Governor
Organization and Statistical Information

The supreme executive power of the state is vested in the Governor. Unless otherwise provided by law, the Governor appoints members of all boards, commissions, and state government department heads as well as those of several other entities in the state and all vacancies in public offices. He commissions all officers of the state unless otherwise provided by law. Through his capacity as commander-in-chief of the militia, the Governor is the conservator of peace throughout the state.

Providing the state's principal financial administration, the Governor presents to the General Assembly a proposed budget for each appropriation period. All bills passed by both houses are presented to and considered by the Governor where they are signed into law or disapproved and returned to the originating house.

In addition to the duties that are specifically assigned to the Governor in the constitution, he has many other duties assigned to him by statute and by custom. The Governor is also a member of the Board of Public Buildings and the State Board of Fund Commissioners.

The Governor is required to be at least 30 years of age and must have been a citizen of the United States for at least 15 years and a resident of this state at least 10 years prior to election. The Governor is elected at the presidential election for a 4-year term and is subject to re-election. No person may hold the office for more than 2 terms.

On January 12, 2009, Jeremiah W. (Jay) Nixon was inaugurated as the fifty-fifth Governor. His second term expired on January 9, 2017. On that date, Eric R. Greitens was inaugurated as the state's fifty-sixth Governor.

The Governor and his family reside in the Governor's mansion, located near the capitol. The mansion was first occupied in 1872 and was added to the National Register of Historic Places in 1969. The Governor and First Lady host public and private events at the mansion. Events are also hosted by other entities including the Friends of the Missouri Governor's Mansion, a statewide, nonpartisan, nonprofit organization dedicated to the mansion's restoration and educational programs.

The Governor's office is located in Jefferson City. There are regional offices in Kansas City and St. Louis.

Financial Activity

A summary of the office's operating financial activity is presented in the following Appendixes.

Appendix A-1

Office of Governor
Statement of Appropriations and Expenditures
Period July 1, 2016 to January 9, 2017

		Appropriation Authority	Expenditures	Encumbered	Uncommitted Appropriations
GENERAL REVENUE FUND					
National Guard Emergency	$	4,000,001	488	0	3,999,513
Operation of state-owned facilities, utilities, systems furniture, and structural modifications - Expense and Equipment		399,951	199,673	137,337	62,941
Special Audits		30,000	0	0	30,000
Mansion		99,199	62,822	5,576	30,801
Governor's office[1]		2,151,258	986,915	151,062	1,013,281
Governor's Security Detail Personal Services[2]		1,752,801	866,804	0	885,997
Governor's Security Detail Expense and Equipment[2]		68,000	67,997	0	3
Total General Revenue Fund		8,501,210	2,184,699	293,975	6,022,536
DEPARTMENT OF ECONOMIC DEVELOPMENT-COMMUNITY DEVELOPMENT FUND					
Ferguson Commission[3]		275,000	0	0	275,000
DEPARTMENT OF SOCIAL SERVICES FEDERAL FUND					
Ferguson Commission[3]		500,000	0	0	500,000
Total All Funds	$	9,276,210	2,184,699	293,975	6,797,536

[1] Flight billings totaling $97,863, for flights from October 2016 to January 2017, were not paid or encumbered as of January 9, 2017.

[2] Prior to fiscal year 2016, costs of the Governor's Security Detail were paid from appropriations of the Department of Public Safety - Missouri State Highway Patrol.

[3] The costs of the Ferguson Commission were funded by Community Development Block Grant monies through the Department of Economic Development and the Department of Social Services, and from financial support from the Missouri Higher Education Loan Authority and various private donors. Consequently, no monies were expended from the Governor's office appropriations.

Appendix A-2

Office of Governor
Comparative Statement of Appropriations and Expenditures

		Year Ended June 30,					
		2016			2015		
		Appropriation Authority	Expenditures	Lapsed Balances	Appropriation Authority	Expenditures	Lapsed Balances
GENERAL REVENUE FUND							
National Guard Emergency	$	4,000,001	1,074,384	2,925,617	4,000,001	3,482,826	517,175
Operation of state-owned facilities, utilities, systems furniture, and structural modifications - Expense and Equipment		361,031	361,031	0	379,292	365,223	14,069
Special Audits		30,000	22,838	7,162	30,000	27,078	2,922
Mansion		98,715	98,405	310	98,585	98,585	0
Governor's office		2,044,907	2,044,192	715	2,110,771	2,110,771	0
Governor's Security Detail Personal Services[1]		1,718,432	1,660,460	57,972	0	0	0
Governor's Security Detail Expense and Equipment[1]		68,000	67,914	86	0	0	0
Total General Revenue Fund		8,321,086	5,329,224	2,991,862	6,618,649	6,084,483	534,166
DEPARTMENT OF ECONOMIC DEVELOPMENT-COMMUNITY DEVELOPMENT FUND							
Ferguson Commission[2]		275,000	0	275,000	0	0	0
DEPARTMENT OF SOCIAL SERVICES FEDERAL FUND							
Ferguson Commission[2]		500,000	0	500,000	0	0	0
Total All Funds	$	9,096,086	5,329,224	3,766,862	6,618,649	6,084,483	534,166

[1] Prior to fiscal year 2016, costs of the Governor's Security Detail were paid from appropriations of the Department of Public Safety - Missouri State Highway Patrol.

[2] The costs of the Ferguson Commission were funded by Community Development Block Grant monies through the Department of Economic Development and the Department of Social Services, and from financial support from the Missouri Higher Education Loan Authority and various private donors. Consequently, no monies were expended from the Governor's office appropriations.

Appendix B

Office of Governor
Comparative Statement of Expenditures (From Appropriations)

	Year Ended June 30,				
	2016	2015	2014	2013	2012
Governor's office:[1]					
Salaries and wages	$ 1,808,186	1,788,211	1,797,638	1,805,782	1,806,153
Travel, in-state	130,349	191,420	165,659	128,563	147,676
Travel, out-of-state	51,247	64,480	68,411	40,372	45,385
Supplies	33,903	48,942	42,140	46,123	60,560
Professional development	11,932	5,955	7,983	3,962	10,861
Communication services and supplies	37	0	264	43,673	53,585
Services:					
Professional	5,598	6,212	11,006	15,766	9,519
Maintenance and repair	280	0	33	344	28
Office equipment	429	2,156	1,635	408	1,886
Parking leases	0	0	0	550	660
Equipment rental and leases	560	680	480	560	1,242
Agency provided food	1,671	2,298	1,517	3,740	2,839
Miscellaneous expenses	0	417	0	24	24
Total office expenditures	2,044,192	2,110,771	2,096,766	2,089,867	2,140,418
Mansion:[1]					
Salaries and wages	27,600	24,070	23,689	23,441	23,000
Travel, in-state	0	136	0	630	231
Travel, out-of-state	1,146	0	0	0	705
Supplies	14,197	27,263	11,079	8,277	12,372
Services:					
Professional	8,658	8,494	4,454	8,205	6,256
Maintenance and repair	0	0	0	0	270
Equipment:					
Office	336	903	0	1,236	0
Other	2,721	3,344	0	0	160
Agency provided food	43,747	34,375	50,116	55,829	54,521
Total mansion expenditures	98,405	98,585	89,338	97,618	97,515
Governor's Security Division (GSD):[2]					
Salaries and wages	892,759	0	0	0	0
Fringe benefits	767,701	0	0	0	0
Travel, in-state	9,932	0	0	0	0
Travel, out-of-state	54,721	0	0	0	0
Supplies	3,101	0	0	0	0
Professional development	160	0	0	0	0
Total security expenditures	1,728,374	0	0	0	0
Other:					
National Guard emergency	1,074,384	3,482,826	65,210	140,904	6,422,293
Building lease payments	361,031	365,223	343,540	347,433	336,846
Special audits	22,838	27,078	0	4,754	30,000
Total Expenditures	$ 5,329,224	6,084,483	2,594,854	2,680,576	9,027,072

[1] Expenditures of the Governor's office do not include expenses paid by other state agencies and expenditures of the Mansion do not include expenses paid by other state agencies and the Mansion Donation Fund (see Appendix D).

[2] Beginning in fiscal year 2016, the Governor's office was appropriated about $1.8 million for GSD personnel and expenses; however, some costs continued to be paid from appropriations of the Department of Public Safety - Missouri State Highway Patrol (see Appendix C).

Appendix C

Office of Governor
Department of Public Safety - Missouri State Highway Patrol
Governor's Security Division (GSD)
Comparative Statement of Expenditures (From Appropriations)

	Year Ended June 30,				
	2016[1]	2015	2014	2013	2012
Salaries and wages	$ 162,084	1,033,630	945,054	968,000	1,000,164
Fringe benefits	30,185	829,069	763,513	766,518	822,381
Travel, in-state	10,095	28,629	20,158	22,679	25,262
Travel, out-of-state	110,469	118,873	67,246	64,329	47,482
Supplies	105	66	664	1,534	1,100
Fuel	22,522	33,194	41,208	31,036	21,318
Professional development	1,600	2,400	550	160	1,760
Communication services and supplies	0	0	100	552	27
Equipment:					
Computer	0	0	30	55	0
Motorized	0	74,919	77,379	114,021	108,400
Office	0	0	0	1,612	0
Other	0	0	0	2,228	0
Equipment rental and leases	0	0	0	0	38
Agency provided food	50	47	0	0	0
Total Expenditures	$ 337,110	2,120,827	1,915,902	1,972,724	2,027,932

[1] Beginning in fiscal year 2016, the Governor's office was appropriated about $1.8 million for GSD personnel and expenses (see expenditures at Appendix B); however, some costs continued to be paid from appropriations of the Department of Public Safety - Missouri State Highway Patrol.

Source: Missouri State Highway Patrol

Appendix D

Office of Governor
Mansion Donation Fund[1]
Comparative Statement of Receipts, Disbursements, and Changes in Cash and Investments

		Year Ended June 30,	
		2016	2015
Receipts	$	24,988	7,114
Disbursements		18,980	1,546
Receipts Over (Under) Disbursements		6,008	5,568
Cash and Investments, July 1		11,628	6,060
Cash and Investments, June 30	$	17,636	11,628

[1] The Mansion Donation Fund is a revolving fund established within the State Facility Maintenance and Operation Fund. The purpose of the fund is to accept donations and fees for payment of costs of mansion events and operating costs.