

The seal of the Missouri State Auditor is circular and features a central figure holding a scale and a sword. The text around the seal reads "SEAL OF THE STATE AUDITOR" at the top, "JUSTICE WE STAND DIVIDED" in the middle, and "1820 MISSOURI 1892" at the bottom.

# Nicole Galloway, CPA

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## Missouri State Auditor

Missouri State Highway Patrol's  
Use of Highway Funds

Year Ended June 30, 2019

Report No. 2019-125

December 2019

[auditor.mo.gov](http://auditor.mo.gov)



**Nicole Galloway, CPA**  
Missouri State Auditor

# CITIZENS SUMMARY

## Findings in the audit of Missouri State Highway Patrol's Use of Highway Funds

Background	Missouri state law requires the Missouri State Auditor to examine whether State Highways and Transportation Fund appropriations to the Missouri State Highway Patrol are used in accordance with the Missouri Constitution, which limits the use of these funds to activities related to administering and enforcing state motor vehicle laws or traffic regulations.
Methodology	Audit staff reviewed policies and procedures, financial records and other pertinent documents; interviewed agency personnel; and tested selected transactions. Auditors also reviewed highway patrol calculations of amounts spent for non-highway activities; and the amounts spent for highway-related activities from other funding sources.
Conclusions	The audit determined the Missouri State Highway Patrol complied with legal provisions related to the use of this funding for the 2019 fiscal year.

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

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# Missouri State Highway Patrol's Use of Highway Funds

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## NICOLE GALLOWAY, CPA Missouri State Auditor

Honorable Michael L. Parson, Governor  
and  
Members of the General Assembly  
and  
Sandra K. Karsten, Director  
Department of Public Safety  
and  
Colonel Eric T. Olson, Superintendent  
Missouri State Highway Patrol  
Jefferson City, Missouri

We have audited the Department of Public Safety, Missouri State Highway Patrol's Use of Highway Funds, as required by Section 226.200.3, RSMo. The scope of our audit included, but was not necessarily limited to, the year ended June 30, 2019. The objective of our audit was to determine whether the agency is in compliance with legal provisions related to the use of Highway Funds.

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

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

A handwritten signature in black ink that reads "Nicole R. Galloway".

Nicole R. Galloway, CPA  
State Auditor

The following auditors participated in the preparation of this report:

Senior Director:	Douglas J. Porting, CPA, CFE
Audit Manager:	John Lieser, CPA
In-Charge Auditor:	Joyce Thomson
Audit Staff:	Jacob Thompson

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# Missouri State Highway Patrol's Use of Highway Funds Background, Methodology, and Conclusions

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## Background

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

## Limitations and requirements

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

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

During the year ended June 30, 2019, the MSHP used appropriations from the State Highway Fund as follows:



Missouri State Highway Patrol's Use of Highway Funds  
Background, Methodology, and Conclusions

	Appropriation		Lapsed
	Authority	Expenditures	Balances*
Enforcement personal service	\$ 76,593,852	68,596,384	7,997,468
Enforcement expense and equipment	6,486,658	5,835,400	651,258
Technical services personal service	16,224,942	14,151,320	2,073,622
Technical services expense and equipment	14,339,238	13,727,663	611,575
Vehicle and driver safety personal service	11,469,917	10,602,702	867,215
Vehicle and driver safety expense and equipment	1,020,875	802,299	218,576
Refund unused motor vehicle inspection stickers	100,000	43,185	56,815
Administration personal service	6,270,112	6,081,803	188,309
Administration expense and equipment	462,589	404,561	58,028
Crime laboratories personal service	4,125,861	3,864,126	261,735
Crime laboratories expense and equipment	1,259,249	1,127,057	132,192
Law Enforcement Academy personal service	1,362,021	1,269,144	92,877
Law Enforcement Academy expense and equipment	73,576	57,291	16,285
Fringe benefits personal service	87,013,521	76,969,510	10,044,011
Fringe benefits expense and equipment	6,571,488	6,554,216	17,272
Vehicle replacement expense and equipment	6,323,075	3,848,997	2,474,078
Gasoline expenses	4,837,264	3,349,655	1,487,609
Interoperable system highway	5,612,926	5,435,642	177,284
Interoperable ongoing highway	4,100,000	3,662,123	437,877
<b>Total</b>	<b>\$ 254,247,164</b>	<b>226,383,078</b>	<b>27,864,086</b>

\* The lapsed balances include withholdings made at the Governor's request totaling \$4,816,865.

## Methodology

Our methodology included reviewing written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the agency; and testing selected transactions. We obtained an understanding of internal control that is significant to the audit objective and assessed the design, implementation, and operating effectiveness of such internal control to the extent necessary to address our audit objective. We also obtained an understanding of legal provisions that are significant within the context of the audit objective, and we assessed the risk that illegal acts, including fraud, and violations of other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

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



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## Missouri State Highway Patrol's Use of Highway Funds Background, Methodology, and Conclusions

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expenditures recorded in the state accounting system (SAM II) and other supporting documentation. In addition, we tested certain expenditures to determine if the expenditures were properly recorded.

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### **Conclusions**

We concluded the MSHP appears to be in compliance with legal provisions related to the use of Highway Funds. During fiscal year 2019, the MSHP spent approximately \$2,790,000 appropriated from the State Highway Fund for expenditures not related to highway activities. This amount included non-highway personal service expenditures made from the State Highway Fund from appropriations for administration, crime laboratories, training academy, and fringe benefits; and expense and equipment expenditures from appropriations for administration and fringe benefits. However, these expenditures were more than offset by personal service and/or expense and equipment expenditures totaling approximately \$6,956,000 from appropriations for crime laboratories, training academy, technical services, gasoline, and fringe benefits that were related to highway activities but not paid from the State Highway Fund. As a result, approximately \$4,166,000 more was spent on highway-related activities than was paid from highway funds during fiscal year 2019.