



**Nicole R. Galloway, CPA**  
Missouri State Auditor

# CITIZENS SUMMARY

## Findings in the audit of the Department of Conservation

Clothing and Uniform Allowances	The Missouri Department of Conservation (MDC) does not report clothing allowances provided to department employees for most general use clothing items as taxable benefits as required by the United States Internal Revenue Code (IRC) and Internal Revenue Service (IRS) regulations. The MDC does not adequately review uniform allowance certification reports for compliance with MDC policy and IRC and IRS regulations, and various errors and instances of noncompliance were not detected.
Meals	The MDC paid for group meals for commissioners, employees, and others that did not appear necessary to the operation of the department or reasonable use of state funds. Our review noted meal costs which appeared excessive, meals provided to employees not on travel status and non-employees, meals provided when no business was conducted, and a lack of documentation supporting the business purpose of the meals as required by state regulations and departmental policy. Additionally, the MDC has not adopted limits for employee meal purchases while traveling as required by executive order, and some meal costs exceeded the Office of Administration established per diem rates.
Grant Administration	The MDC does not always follow grant requirements when awarding and reimbursing grantees through the Tree Resource Improvement and Maintenance grant program and the Landowner Assistance Program. Some grantees were overpaid.
Advertising Contract	The MDC did not comply with some contractual requirements when contracting with an advertising agency to develop a statewide advertising campaign. Although required by contract terms, MDC officials could provide no documentation to show they provided the advertising agency a maximum budget amount for the project. In addition, the budgets provided by the advertising agency only included total costs by type of service, and did not specify the number of hours and hourly rates of personnel.
Sunshine Law	The Conservation Commission approved four legal settlements totaling \$67,900 in closed meetings, but did not make public in an open meeting the final disposition of legal matters.
Previous Audit Findings - State Flight Operations	In January 2015, the Office of the State Auditor issued Report No. 2015-003, <i>State Flight Operations</i> , which included findings related to the MDC. The state paid for charter flights for MDC commission members, former commission members, and employees when state-owned planes were available. The MDC spent approximately \$117,000 flying commission members to commission meetings, when commission members of state boards other than the Missouri Department of Transportation and the MDC typically receive motor vehicle mileage reimbursement for travel costs. The MDC did not document supervisory reviews of passenger flight reports.

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**Additional Comments**

The MDC's responses to the audit findings indicate approximately half the recommendations will be implemented. For the other half, the responses indicate disagreement or no intent to implement the findings.

In the areas audited, the overall performance of this entity was <b>Good</b> .*
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\*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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