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Missouri State Auditor

PUBLIC SAFETY

Office of the Director

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CITIZENS SUMMARY

Findings in the audit of the Department of Public Safety, Office of the Director

<p>Missouri Statewide Interoperability Network (MOSWIN)</p>	<p>The Department of Public Safety (DPS), Office of the Director (OD) has not provided adequate planning and oversight of the MOSWIN. The OD did not prepare a comprehensive analysis of the estimated cost of various system types, did not prepare a budget of estimated project costs or adequate estimates of the future costs of maintaining the MOSWIN system, and did not adequately track, budget or monitor project costs. The OD could not support project deliverables had been received prior to payment, and the OD paid \$1.3 million at the end of fiscal year 2012 for goods that had not been received to prevent these funds from lapsing. The OD cannot support its allocation of the MOSWIN costs and has not accounted for or tracked some equipment purchased. The State Interoperable Executive Committee did not always follow Sunshine Law requirements.</p>
<p>Disbursements</p>	<p>The OD did not maintain adequate documentation of personnel costs charged to federal and state funding. Between July 2010 and May 2012, neither the employee nor the supervisor approved time entered and charged, and the OD had no other documentation to support the allocation of time charged. Four of the 47 (9 percent) disbursements tested, totaling \$224,500, lacked adequate supporting documentation, increasing the risk amounts paid are inappropriate, inaccurate or not in compliance with contract terms.</p>
<p>Accounting Controls</p>	<p>OD personnel do not issue pre-numbered receipt slips and do not always promptly record or deposit monies. Duties are not adequately segregated, and supervisory reviews are not sufficient. On a few occasions, an employee has taken Peace Officer Standards and Training program monies home to process when the employee got behind at work. The OD has eight employees with access to both enter and approve their own revenue transactions and three employees with access to both enter and approve their own expenditure transactions. There is little or no oversight to ensure such transactions are complete, accurate, and appropriate. The OD does not properly control user access; two former employees still had access to certain systems, and two users had inappropriate access based upon their job responsibilities.</p>
<p>Peace Officer Standards and Training (POST) Program</p>	<p>The OD lacks adequate procedures to ensure local law enforcement agencies comply with notification requirements and does not use information in the officer database to scan for potential problems with licensed law enforcement officers. The OD does not adequately track and monitor complaints against peace officers and has not established written guidance for determining disciplinary action. In addition, the OD has not documented written guidelines specifying the offenses typically allowed or unallowed from an applicant's criminal background check.</p>
<p>Capital Assets</p>	<p>The OD does not maintain complete and accurate records for capital assets and does not reconcile internal capital asset records to the SAM II capital asset system. The OD did not perform an annual physical inventory of capital assets and does not always obtain written approval prior to disposing of capital assets or remove disposed assets from the SAM II capital asset</p>

system timely. The OD does not maintain mileage logs for the vehicle assigned to the DPS director, so the OD is unable to determine the amount of personal use, if any, required to be reported to the IRS as a fringe benefit.

Excess Property Program and Donated Asset Program Inventory	The OD did not perform an annual physical inventory of the equipment maintained at a warehouse managed for the Department of Defense Excess Property Program and the Donated Asset Program. Audit staff attempted to locate five items and one item, night vision goggles, could not be located, and another item, a laptop, did not match the inventory tag number.
Use of Appropriations	The OD paid approximately \$67,800 for salaries and travel costs of the Governor's office. The OD paid \$45,100 for a portion of the salaries of seven Governor's office staff and paid \$22,700 related to air travel costs of the Governor's office. Seven of the 9 (78 percent) flights paid in fiscal year 2012 and 35 of the 38 (92 percent) flights paid in fiscal year 2011 did not include an OD representative. The Missouri State Highway Patrol paid at least \$19,200 for the purchase and maintenance of the vehicle assigned to the DPS director, which circumvents the appropriation process and distorts the actual OD operating costs.
Crime Victims' Compensation (CVC) Program	The OD lacks adequate controls and procedures to ensure disbursements for the CVC program meet program requirements. The OD reimbursed two claims totaling \$2,800 that were filed too late and paid one claim totaling \$11,000 without ensuring a background check had been performed and the victim had cooperated with law enforcement, as required by the program. The OD has not pursued access to employment data that could help ensure claimants meet program requirements and does not ensure CVC refunds are credited back to the appropriate funding source (state or federal).
Sexual Assault Forensic Exam (SAFE) Program	The SAFE program reimburses medical providers for charges incurred in collecting evidence during forensic examination resulting from a sexual assault or sexual abuse, but the OD has not established monitoring procedures to ensure the charges are reasonable, and amounts submitted for reimbursement varied from \$183 to \$1,656. The OD does not require supervisory reviews to ensure reimbursements paid are accurate and in compliance with program requirements, and, upon review of 25 claims, audit staff found the OD overpaid two providers a total of \$324 and underpaid one provider \$200.

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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Department of Public Safety - Office of the Director

Table of Contents

State Auditor's Report	2
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Management Advisory Report - State Auditor's Findings	1. Missouri Statewide Interoperability Network	4
	2. Disbursements	12
	3. Accounting Controls.....	14
	4. Peace Officer Standards and Training Program	18
	5. Capital Assets.....	22
	6. Excess Property Program and Donated Asset Program Inventory	24
	7. Use of Appropriations	25
	8. Crime Victims' Compensation Program.....	26
	9. Sexual Assault Forensic Exam Program	28

Organization and Statistical Information	31
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Appendixes

	Combined Statement of Receipts, Disbursements, and Changes in Cash and Investments, Year Ended -	
A-1	June 30, 2012	32
A-2	June 30, 2011	34
	Comparative Statement of Appropriations and Expenditures	
B	2 Years Ended June 30, 2012.....	36
	Comparative Statement of Expenditures (From Appropriations)	
C	5 Years Ended June 30, 2012.....	40



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Honorable Jeremiah W. (Jay) Nixon, Governor
and
Jerry Lee, Director
Department of Public Safety
Jefferson City, Missouri

We have audited certain operations of the Department of Public Safety, Office of the Director, in fulfillment of our duties under Chapter 29, RSMo. The scope of our audit included, but was not necessarily limited to, the years ended June 30, 2012 and 2011. 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 operations, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, reviewing contracts or reports that are specific to the auditee's operations and significant within the context of the audit objectives, and other pertinent documents; interviewing various personnel of the office, as well as 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 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 agency's management and was not subjected to the procedures applied in our audit of the agency.

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 Department of Public Safety, Office of the Director.



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Department of Public Safety

Office of the Director

Management Advisory Report - State Auditor's Findings

1. Missouri Statewide Interoperability Network

The Department of Public Safety (DPS), Office of the Director (OD) has not provided adequate planning and oversight of the Missouri Statewide Interoperability Network (MOSWIN), a statewide public safety interoperable communications system. As of June 30, 2012, the OD has spent at least \$76 million on the development, implementation, and maintenance of the MOSWIN system since project inception in 2008. As of July 2013, the project is still ongoing.

The MOSWIN system is a network of communication towers, base stations, and communication software that allow for statewide interoperable communications to both state public safety agencies and any local jurisdictions that wish to use the system. The purpose of the system is to help ensure neighboring jurisdictions and multiple disciplines throughout the state can communicate with each other to improve emergency and disaster response.

In December 2008, the state awarded a contract totaling \$81.7 million for the development and maintenance of the MOSWIN system and issued a notice to proceed in June 2009.

1.1 Cost management

The OD did not adequately manage the costs of developing, implementing, and maintaining the MOSWIN system. The OD did not consider various cost options, and did not adequately track, budget, and monitor project costs. In addition, the OD has not fully determined the funding needed to maintain the system in the future.

Analysis of costs

The OD did not prepare a comprehensive analysis of the estimated costs of various system types before proceeding with the MOSWIN project.

The state hired a consultant to help determine what type of system would be most beneficial to the state. In 2007, this consultant provided the state with a technical analysis of different types of radio frequency spectrums that could be used for an interoperability system and outlined various ownership options (i.e. state-owned or vendor partnerships). The consultant provided a recommendation on the system that would provide the most beneficial statewide communications system in the shortest amount of time; however, the analysis did not fully consider the estimated cost of the various other options. The OD obtained a cost estimate from another consultant for the recommended system. The cost estimates provided by both consultants ranged from \$100 million to \$300 million to implement the system and at least \$14 million to \$23 million in annual equipment and maintenance costs. Although the cost of the MOSWIN system to date is less than the estimates provided, the OD did not obtain sufficient information to determine if other systems or ownership options would have provided as much benefit to the state at a lower cost.



Department of Public Safety
Office of the Director
Management Advisory Report - State Auditor's Finding

According to OD personnel, the MOSWIN system is one of the more technologically advanced interoperability communication systems currently available. In addition, OD personnel said the MOSWIN system has cost significantly less than other state built interoperability communication systems.

According to accepted standards,¹ organizations should define and execute a feasibility analysis that clearly and concisely describes the alternative solutions that will satisfy the business and functional requirements. An evaluation of technological and economic feasibility of the available options should be included in the analysis. The alternative solutions should be reviewed with all stakeholders and the system selected should be the most appropriate one based on feasibility criteria, including risk and cost.

Without performing a comprehensive analysis that includes cost options of available systems, the OD does not have assurance that significant cost outlays are cost effective.

Project costs

The OD did not prepare a project budget or an estimate of project costs for the development, implementation, and maintenance of the MOSWIN system. In addition, the OD has not properly accounted for project costs.

OD records indicate at least \$76 million has been spent through June 30, 2012 on MOSWIN. However, the OD has not included costs incurred by other state agencies (including other DPS divisions) involved in the project. In addition, OD records did not include project costs not part of the main contracts, such as the purchase of radio frequencies and other equipment, and internal personnel costs. Our review identified at least \$2.3 million in untracked costs related to radio frequencies, equipment, and services provided, and an undetermined amount of personnel time was also not recorded as project costs.

OD personnel indicated the vendor contracted costs are sufficient to estimate and track project costs. However, the OD did not track these costs as an overall project budget, outline the costs by expenditure type or phase of the project, or consider other project costs, such as personnel costs, outside the contracts.

According to accepted standards,² organizations should prepare a project budget that reflects the full economic life cycle costs and the related

¹ COBIT 5 Enabling Processes, BAI02.02 Perform a feasibility study and formulate alternative solutions. © 2012 ISACA. All rights reserved. Used with permission.

² COBIT 5 Enabling Processes, BAI01.04 Develop and maintain the program plan. © 2012 ISACA. All rights reserved. Used with permission.



Department of Public Safety
Office of the Director
Management Advisory Report - State Auditor's Finding

financial benefits. In addition, organizations should manage project performance against key criteria, such as costs and schedule, to identify deviations from the plan and take remedial action when required.

A complete and well planned budget can serve as a useful management tool by establishing specific cost expectations for each area, providing a means to effectively monitor actual costs, and assisting in keeping cost overruns to a minimum. In addition, an adequate system to track actual costs of developing, implementing, and maintaining such a large communications system is necessary to properly monitor project costs and should be used to compare against project estimates and budgets. This information is necessary for making key project management decisions.

Future maintenance costs

The OD did not prepare adequate estimates of the future costs of maintaining the MOSWIN system. The OD did not periodically review and update the estimated annual cost to maintain the MOSWIN system until fiscal year 2013 when the system was originally expected to become operational. In addition, the OD has not estimated the costs necessary to maintain the MOSWIN system after the contract with the current communications vendor expires.

During the majority of the 4 years of development, the OD did not estimate the costs necessary to maintain the MOSWIN system after implementation. According to OD personnel, in April 2010, an estimate was prepared; however, personnel indicated the estimate was incomplete because several factors were unknown at that time. The OD did not periodically review or update this estimate as information became available. In February 2013, OD personnel estimated the OD needed approximately \$3.8 million annually to maintain the MOSWIN system while under current contracts. The OD has not yet estimated the cost to maintain the MOSWIN system after 2017 when the current communications contract expires. According to personnel, once the MOSWIN system is operational, the OD plans to examine the contractor's maintenance procedures, determine staffing resources needed to maintain the system in-house and compare those costs to the costs of outsourcing maintenance services. Until the system is operational, OD personnel do not believe they can fully estimate future maintenance costs or negotiate future maintenance contracts.

According to accepted standards,³ organizations should develop and execute a plan for the maintenance of systems and infrastructure components that includes periodic reviews against business needs and operational requirements. In addition, organizations need to consider resource

³ COBIT 5 Enabling Processes. BAI03.10 Maintain solutions. © 2012 ISACA. All rights reserved. Used with permission.



Department of Public Safety
Office of the Director
Management Advisory Report - State Auditor's Finding

availability by assessing the significance of maintenance activities on current solution design, functionality, and/or business process.

Without adequately planning for and estimating the future costs of maintaining the MOSWIN system, the OD does not have sufficient information to determine the level of resources needed to maintain the functionality of the system.

1.2 Disbursements

The OD could not support project deliverables had been received or whether invoices agreed to contract terms prior to making payment. We tested 12 disbursements, totaling \$25.8 million, relating to the development and implementation of the MOSWIN system.

We identified various concerns relating to four of the disbursements tested, totaling \$23.6 million. The OD could not support deliverables were actually received prior to making payment. The OD did not always require or receive packing slips or other support to verify the receipt of deliverables, and the OD did not verify the equipment shipped directly to tower sites across the state was actually received prior to making payment. In addition, the OD could not provide documentation showing they had agreed invoices to contract terms prior to payment. Although the OD eventually provided support for how invoices paid agreed to contract terms, there is no documentation to support staff did this or verified receipt of deliverables prior to payment.

Without adequate payment processing procedures, such as ensuring goods and services are received prior to payment and ensuring amounts billed agree to contract terms, the OD cannot ensure all payments made represent valid and appropriate costs to the state.

Significant year-end disbursements

The OD paid approximately \$1.3 million at the end of fiscal year 2012 for goods that had not been received to prevent these funds from lapsing.

The OD entered into contracts in June 2012 for the purchase of radio frequencies from three vendors. In accordance with the contracts, the OD paid escrow agents who then paid the vendors after the Federal Communications Commission (FCC) approved the frequencies. The OD paid the escrow agents on June 28, 2012; however, the escrow agents did not pay the vendors until August and October 2012.

According to OD personnel, they were unsure how long it would take the FCC to approve the frequencies, a requirement of making payment. Since the funds were available at the time, the escrow agent arrangement was established.



Department of Public Safety
Office of the Director
Management Advisory Report - State Auditor's Finding

The Missouri General Assembly and the Governor grant legal authorization to make expenditures. Expenditures are not permitted unless spending authority is granted by an appropriation. Regular appropriations not spent by year-end lapse on June 30. Section 33.065, RSMo, states that no appropriation shall confer authority to incur an obligation after the termination of the fiscal year to which it relates.

As noted in a previous audit report,⁴ the state has not established specific guidelines related to year-end spending practices. We recommended the OA consider legislation, regulations, policies or procedures to provide guidance to state agencies on the proper use of appropriations at year end. Such a policy is necessary to establish the criteria for expending funds from the current operating budget on future obligations and to establish documentation requirements to ensure processing transparency.

1.3 Allocation of costs

The OD cannot support the methodology used to allocate the costs of the MOSWIN system.

OD personnel indicated the DPS - Missouri State Highway Patrol (MSHP) is allocated MOSWIN costs when the costs directly relate to that division. The remaining costs are then split with 25 percent charged to the MSHP and 75 percent charged to OD funding sources. According to OD personnel, an informal analysis was completed to determine how to allocate the costs of the MOSWIN system. This process included talking with other states, state agencies, and DPS divisions; however, the OD did not retain documentation of this analysis.

According to accepted standards,⁵ organizations should establish and maintain a method to account for all project related costs. A classification method should be defined to identify all cost elements, how costs are captured, and how costs are allocated across budgets and services.

Without adequate support for the allocation of MOSWIN costs, there is less assurance the use of the various state and federal funding sources was reasonable and appropriate.

1.4 Asset management

The OD has not accounted for or tracked some equipment purchased and received for the MOSWIN system since project development began. As a result, the OD has limited assurance that assets are accounted for properly and safeguarded from theft or misuse.

⁴ Report No. 2012-44, *Year-End Spending Practices*, issued in June 2012.

⁵ COBIT 5 Enabling Processes. APO06.01 Manage finance and accounting. © 2012 ISACA. All rights reserved. Used with permission.



Department of Public Safety
Office of the Director
Management Advisory Report - State Auditor's Finding

As of March 2013, the OD had not tagged, tracked, or accounted for some equipment received. This has occurred, in part, due to the equipment for the MOSWIN system not being delivered in a consistent manner. The OD received some equipment directly, while vendors shipped other equipment directly to communication tower sites across the state. According to personnel, the OD tracked equipment received in-house, but did not track equipment shipped off-site. After our audit inquiries, the OD requested a detailed listing of all equipment purchased from the main contractor and started conducting an inventory of statewide MOSWIN assets in March 2013. However, without having tracked the inventory themselves, OD personnel cannot determine whether the listing received from the contractor is complete and accurate. Personnel indicated they would know all equipment paid for was received based on whether the system was working when they showed up on-site at each tower; however, without a complete listing of equipment purchased and its location, the OD does not have assurance all equipment paid for is properly accounted for at the project sites.

According to OD personnel, the OD did not have sufficient personnel to inventory all assets when received. In addition, the OD chose to wait until system development was complete to inventory all assets in case some equipment had to be replaced or did not work with the system once installed. Personnel further indicated the primary goal during development was ensuring the contractual goal of obtaining 95 percent coverage across the state was met.

According to accepted standards,⁶ assets should be managed from procurement to disposal to ensure equipment is utilized as effectively and efficiently as possible and is accounted for and physically protected. The failure to track and maintain a complete and accurate listing of equipment reduces the control and accountability over assets and increases the risk that loss, theft, or misuse will go undetected.

1.5 Sunshine Law

The State Interoperable Executive Committee (SIEC) did not always follow Sunshine Law requirements relating to meeting minutes as required by Chapter 610, RSMo. The SIEC did not always prepare and approve meeting minutes, and minutes prepared did not always include sufficient detail, such as the date, time, place, and members present.

The OD has been designated to provide the day-to-day operation and oversight of the SIEC. The SIEC was established under an Executive Order

⁶ COBIT 5 Enabling Processes. BAI09.03 Manage the asset life cycle. © 2012 ISACA. All rights reserved. Used with permission.



and is responsible for developing a statewide communications strategic plan as it relates to implementing the MOSWIN system.

Chapter 610, RSMo, requires minutes of open meetings be taken and retained by the public governmental body. In addition, meetings should include the date, time, place, members present, members absent, and a record of votes taken.

Recommendations

The OD:

- 1.1 Ensure future projects are supported by a comprehensive analysis of the estimated costs of various options and a formal project budget. In addition, the OD should properly account for and compare project costs to budgeted amounts.
- 1.2 Require acknowledgement of the receipt of goods and services and compare invoiced amounts to contract terms prior to making payment. In addition, work with the OA to obtain guidance on the proper use of appropriations at fiscal year end.
- 1.3 Develop and document a reasonable and appropriate methodology for allocating system costs.
- 1.4 Maintain complete and accurate asset records.
- 1.5 Ensure meeting minutes are properly prepared and approved and include sufficient detail.

Auditee's Response

- 1.1 *The MOSWIN system became operational on January 1, 2013, within the scheduled time period for public safety agencies to meet the FCC narrow banding deadline. The system is a public safety land-mobile radio system designed to provide interoperable radio communications for law enforcement and other first responders. To date, approximately 600 local and state agencies use the system, and new agencies are joining the system at an average rate of 15 agencies per month. Overall, the contracted deliverable was for the system to provide 95% mobile radio coverage throughout Missouri, meaning that the system must provide user agencies coverage on their mobile radios in at least 95% of the accessible areas in each county. Two separate consultants were hired to advise the state regarding the various types and costs of interoperable radio systems. The current system configuration was selected through a competitive process, and as the auditor notes, cost less than the estimates provided for comparable statewide interoperable radio systems.*



Department of Public Safety
Office of the Director
Management Advisory Report - State Auditor's Finding

Costs for construction of the MOSWIN system were tracked at project inception through a quarterly budget matrix and then throughout the project to ensure that annual appropriations were not exceeded and that contract deliverables were met. Overall, contract oversight and system inspections have resulted in approximately \$5.6 million in credits applied to the original contract amount based on ongoing assessments of the original contract deliverables and subsequent modifications. Charges were reviewed by staff, along with consultants hired specifically for contract oversight, to ensure that the items charged were necessary and actually received. Through this process, credits were applied to the contract through change orders starting in 2011 and throughout the project.

The Office of Director (OD) applied traditional project management methods to track costs and project milestones and, through this process, the system became operational within the target date of January 1, 2013, and within the appropriated amounts. While the MOSWIN system includes IT components, the COBIT 5 model cited by the auditor as applicable to IT projects does not address land-mobile radio systems. The OD will review the COBIT 5 standards to determine if any are applicable to future maintenance of MOSWIN.

Costs estimates to maintain the physical infrastructure of the system were completed in 2010 and the OD has periodically updated those estimates as needed. The system is currently under warranty and, during the warranty period, the vendor provides technical personnel to ensure the infrastructure is functioning as intended. The department is currently assessing the technical oversight provided by the vendor to determine whether it is more cost efficient to extend the warranty services or use state personnel for technical oversight.

- 1.2 *Invoices were reviewed to confirm delivery of the services and the appropriate funding source prior to payment. Audits of the individual tower sites and other infrastructure components were conducted once it was determined that the system engineering had met the contract deliverable to provide 95% mobile coverage in each county. This timeline allowed for more efficient use of resources since confirmation of the delivery of the component parts would not ensure that the engineers had appropriately configured those components to meet the overall contract deliverable of 95% mobile coverage. Since the system became operational in January 2013, the department has been conducting audits and physical inspections of each of the 73 tower sites and master sites to ensure*



that the system meets applicable codes and other contract deliverables. Overall, contract oversight and system inspections have resulted in approximately \$5.6 million in credits applied to the original contract amount based on ongoing assessments of the original contract deliverables and subsequent modifications.

- 1.3 Costs to construct the system were assessed to the available funding sources based on the allowable uses for those funds and the designated appropriation authority.*
- 1.4 The OD is in the process of completing an asset inventory of the MOSWIN infrastructure.*
- 1.5 The OD has assigned personnel to ensure that future SIEC meeting minutes are properly prepared and approved and include sufficient detail.*

Auditor's Comment

The OD response does not address several audit recommendations. For example, the OD does not address recommendations to prepare a comprehensive budget for future projects, to compare invoiced amounts to contract terms prior to making payment, or to develop reasonable methodologies to allocate system costs.

Also, contrary to the OD response, COBIT 5 standards are not limited to IT systems. COBIT 5 covers all functions and processes within an organization by addressing the governance and management of information and related technology from an organization-wide, end-to-end perspective. COBIT 5 does not only focus on the information technology (IT) function but treats information and related technologies as assets that need to be dealt with just like any other asset by everyone in the organization. Given this extended scope, COBIT 5 can be used by organizations to address all relevant internal and external IT services, as well as internal and external business processes, including the activities and responsibilities of both the IT functions and the non-IT business functions, according to ISACA.

2. Disbursements

The OD needs to improve disbursement procedures. Our review noted various disbursements, including personnel costs, were not adequately supported or in agreement with contract terms.

2.1 Personnel costs

OD personnel did not maintain adequate documentation to support personnel costs charged to funding sources, did not always approve supporting documentation, and did not always ensure allocations agreed with supporting documentation. As a result, the OD cannot substantiate some personnel costs charged to federal and state funding sources. For the 2 years ended June 30, 2012, the OD paid personnel costs (excluding benefits) totaling \$6.2 million, and charged \$3.1 million of these costs to various federal programs.



Department of Public Safety
Office of the Director
Management Advisory Report - State Auditor's Finding

Each pay period, OD employees enter the time spent on each federal or state activity into an internal time tracking system. The data is then used to determine the allocation of personnel costs to the various funding sources. However, the employee or the employee's direct supervisor did not approve the time entered and charged for the period of July 2010 through May 2012. In addition, the OD did not have any other documentation (such as timesheets, personnel activity forms, or salary certifications) to support the allocation of time charged during this period. Between April 2012 and June 2012, the OD established procedures requiring the employee or the employee's supervisor to approve the time charged to the various programs and activities.

Our review of personnel costs allocated to both state and federal funds during June 2012 identified 4 of the 13 employees tested either did not have properly approved documentation, such as activity forms or timesheets, or the allocations made did not agree to the approved form or other supporting documentation. Personnel costs (excluding benefits) allocated for these four employees during June 2012 totaled approximately \$11,249 and included both state and federal funding sources. Some of the state funding sources charged included appropriations from other DPS divisions.

Adequate documentation to support personnel costs allocated to various funding sources is necessary to ensure costs are appropriate and accurate.

Similar conditions relating to the federal Homeland Security Grant Program and the federal Justice Assistance Grant Program Cluster were noted in our two prior Statewide Single Audit reports for fiscal years 2012 and 2011.⁷

2.2 Supporting documentation

The OD did not always maintain adequate documentation to support disbursements. We identified 4 of the 47 (9 percent) disbursements tested, totaling \$224,500, that lacked adequate supporting documentation.

- For two disbursements, totaling \$132,700, for the development of system interfaces for the Missouri Data Exchange system, the OD did not require the vendor to provide documentation to support how the amount invoiced agreed to the pricing established in the contract. The pricing established in the contract outlined hourly rates; however, the actual invoice was on a per project basis on a fixed rate. The OD could not provide support to show how the fixed rate was derived and or in compliance with contract terms.

⁷ Report No. 2013-024, *State of Missouri Single Audit Year Ended June 30, 2012*, issued in March 2013; and Report No. 2012-26, *State of Missouri Single Audit Year Ended June 30, 2011*, issued in March 2012.



- For one disbursement, totaling approximately \$65,000, the OD did not obtain adequate documentation from the vendor to support the hours worked and hourly rate billed. The OD agreed to pay a vendor, based on an hourly rate and a certain number of hours worked, for an emergency management function exercise. However, the OD paid an invoice based only on the requested payment and could not provide support to show how the amount billed agreed to the terms of the agreement.
- For one disbursement, the OD reimbursed a subrecipient approximately \$27,000 for services provided to juveniles through the federal Juvenile Accountability Block Grant program without obtaining documentation to support that the subrecipient had actually incurred expenses.

Without adequate documentation, there is an increased risk that amounts paid are inappropriate, inaccurate, or not in agreement in contract terms.

Recommendations

The OD:

- 2.1 Ensure adequate records of time worked are prepared and approved by the employee and/or applicable supervisor to support the salary costs allocated to federal and state funding sources.
- 2.2 Maintain adequate documentation to ensure all disbursements are properly supported and in compliance with contract terms.

Auditee's Response

- 2.1 *OD currently requires that all employees' time is approved by someone in their chain of command, normally their immediate supervisor. OD has developed a new report within the Time and Accounting system. Time entered by the employee now shows as allocated to federal and/or state funding sources when the employee signs the time sheet and when the time sheet is approved by their supervisor.*
- 2.2 *Corrective action has been taken to ensure that all supporting documentation on all disbursement requests are properly supported in compliance with contract terms by obtaining time and effort reporting, agreed to pricing establishment, and documentation supporting expenses incurred.*

3. Accounting Controls

Procedures related to accounting controls are in need of improvement.

3.1 Accounting procedures

The OD needs to improve accounting procedures over various receipt and disbursement types, including the Peace Officer Standards and Training



Department of Public Safety
Office of the Director
Management Advisory Report - State Auditor's Finding

(POST) program, Crime Victim Compensation (CVC) program, various federal programs, and other miscellaneous monies, such as refunds.

- OD personnel do not always record monies immediately upon receipt and do not issue pre-numbered receipt slips. In addition, receipts are not always deposited timely or restrictively endorsed "for deposit only" immediately upon receipt. During our cash count of POST monies, we noted 93 checks, totaling \$22,197 that had not been recorded on receipt slips or other accounting records, and had not been restrictively endorsed. Although the prior deposit was made two business days prior to our cash count, most of the receipts had not yet been opened and there was no date stamp to indicate the date of receipt.
- Receipts are not always adequately safeguarded. Generally, personnel maintain receipts in a locked file drawer at the OD until deposit. However, an OD employee indicated POST receipts have occasionally been taken home to process when staff got behind at work. According to this individual, this happened only once or twice in the last several years.
- For the POST program, one individual is primarily responsible for the duties of receipting, recording, depositing, making adjusting entries to receipt records, and performing reconciliations between OD records and the statewide accounting system (SAM II). In addition, the same individual is also responsible for preparing POST disbursements, which rely on the receipt data. According to personnel, another individual reviews supporting documentation for disbursements and typically approves receipt and disbursement transactions entered in SAM II; however, this review is not documented and there is no supervisory review performed to ensure monies received were properly deposited and recorded.
- For the CVC program, a supervisory review is not performed to compare the original record of receipt to deposits made to ensure all receipts are properly deposited. One individual records monies received in a mail log. The log and receipts are forwarded to another individual who creates a secondary receipt log and enters the receipts into the CVC system. Finally, a third individual prepares and makes the deposit. However, the initial record of receipt is not reconciled to amounts deposited.
- For the CVC program, one individual is primarily responsible for write-offs and adjustments of restitution receivables and there is no independent or supervisory review or approval of these transactions.
- For most federal programs, a fiscal staff member is responsible for drawing down federal funds for the programs based on the needs of the



Department of Public Safety
Office of the Director
Management Advisory Report - State Auditor's Finding

program. However, there is no independent or supervisory review or approval of these transactions by a program manager to ensure the transactions are accurate.

- OD officials responsible for the CVC program have not performed reconciliations between OD records, including the CVC system, and SAM II to ensure the total revenue and expenditures per SAM II are complete and accurate. As a result, errors could go undetected. During our review, we identified discrepancies totaling \$4,400 between the CVC system and SAM II because 2 disbursement transactions had not been correctly recorded in the CVC system.

Failure to implement adequate cash procedures, including properly securing receipts, increases the risk that loss or misuse of monies received will go undetected. In addition, proper segregation of duties and/or an independent or supervisory review is necessary to ensure all transactions are accounted for properly and assets are adequately safeguarded. Also, reconciliations are necessary to ensure transactions are proper, and to detect and correct errors on a timely basis.

3.2 User account access

The OD has not established adequate user account procedures to ensure segregation of duties and to control user access to various systems.

A periodic review of user access rights ensures the appropriate level of access has been provided. Without a review of user access rights, there is an increased risk that unauthorized alterations of these rights would go undetected or that access rights would not be aligned with current job duties.

Segregation of duties

User account access for revenue and expenditure processing and approval duties are not adequately segregated for some systems.

The OD has eight employees with access to both enter and approve their own revenue transactions in SAM II without an additional level of approval required. Under normal circumstances, other employees are involved in the revenue approval process; however, a CVC program employee indicated she regularly enters and approves her own revenue transactions in SAM II.

In addition, for the internal OD WebGrants system, which processes transactions related to various federal programs, the OD has three employees with access to both enter and approve their own expenditure transactions. Furthermore, when these transactions are batched to SAM II for payment, these users also have the ability to approve the same expenditure transaction without an additional level of approval. There is limited or no oversight to ensure the user has entered and approved complete, accurate, and appropriate transactions.



Adequate segregation of duties is necessary to reduce the risk of erroneous or fraudulent transactions.

User access

The OD has not established adequate procedures for granting user access to the internal WebGrants system, and some current and former employees had inappropriate access to OD systems.

The OD does not document access authorizations, and users with access to the WebGrants system can grant another user access or modify another user's access rights. Our review of user accounts in the WebGrants and the CVC systems identified (1) a former employee still had access to the WebGrants system; (2) another former employee still had access to the CVC system, and (3) OD personnel indicated two users had inappropriate access to the CVC system based on their job responsibilities.

Without properly controlling user access, users may be granted inappropriate or unauthorized access, which can provide opportunities for fraud, sabotage, and inappropriate disclosures.

Recommendations

The OD:

- 3.1 Record receipts, issue pre-numbered receipt slips, and restrictively endorse receipts immediately upon receipt, deposit receipts timely, establish adequate segregation of duties, and establish procedures to perform reconciliations between OD records and SAM II.
- 3.2 Review user access to both internal and statewide systems to ensure incompatible functions are identified and properly segregated, and access rights are commensurate with user's job duties and responsibilities. In addition, the OD remove access privileges timely upon employee termination, and establish procedures for granting user access.

Auditee's Response

- 3.1 *Additional measures have been implemented to track receipts and segregate duties.*

Receipts (checks) for the POST fund are marked to ensure fund amounts are entered to the appropriate agency and endorsed as "for deposit only" to the State of Missouri. Receipts are also tracked through the POST fund database by check number, date entered, and amount. Deposits are prepared with copies of checks and listing of receipts from the database included with the completed deposit ticket. Deposits are approved by administrative staff other than the individual preparing the deposit. Monthly deposit reports from the data warehouse are reconciled with the agency summary



report from the fund database to ensure deposits reconcile each month and also when preparing the annual POST distribution.

The CVC program has changed the deposit procedure to include a supervisory review of the initial record of receipt in the mail log to ensure that it reconciles with the amounts being deposited. After review, the supervisor now initials the record of receipt in the mail log as well as approving the amount deposited in the SAM II payment system.

The CVC program has also changed the write-off and adjustment procedures of restitution receivables to include not only verbal approval from the supervisor, but also written approval from the supervisor when the program's subrogation interest is reduced or when restitution or settlements from civil litigations are not collectable.

- 3.2 *The SAM II system has changed and an employee who creates a revenue transaction cannot also approve the same transaction. The CVC program has changed the revenue transaction procedure to include a separate individual to approve the transaction in SAM II.*

The CVC program will conduct a yearly review to ensure that employee access to the CVC system is based upon their job duties and responsibilities and will work with Human Resources when an employee is terminated to ensure their name and access privileges are removed from the CVC and SAM II database in a timely manner.

4. Peace Officer Standards and Training Program

Improvements are needed in the management and administration of the Peace Officer Standards and Training (POST) program. The Missouri's Peace Officer Standards and Training Commission establishes the rules and regulations for the POST program as specified in Chapter 590, RSMo. The OD is responsible for licensing and regulating peace officers, continuing education providers, training instructors, and training centers; establishing a classification system for licenses; establishing minimum standards for peace officers and for admittance into basic training; and developing the Missouri Peace Officer License Exam. The OD issued 1,147 peace officer licenses during 2012 and 1,371 peace officer licenses during 2011.

4.1 Statutory compliance

The OD has not established adequate monitoring procedures to ensure local law enforcement agencies comply with notification requirements of state law. Section 590.070, RSMo, requires the chief executive officer (CEO) of local law enforcement agencies to notify the OD within 30 days of the hire or termination of commissioned officers. In addition, CEOs are required to



Department of Public Safety
Office of the Director
Management Advisory Report - State Auditor's Finding

notify the OD whenever they have reasonable grounds to believe an officer commissioned by their agency is subject to discipline.

The OD does not require the CEOs of local law enforcement agencies to periodically verify the accuracy and completeness of licensed officers employment records. The OD discontinued procedures requiring CEOs to annually confirm employment records of commissioned officers. Instead, the OD established a website for local law enforcement agencies to review a listing of commissioned officers working for their agency. However, the OD does not require CEOs to periodically confirm the listing is accurate and does not follow up with CEOs to ensure the listing has been confirmed. Without periodic confirmations of employment records, the OD cannot ensure employment records are complete and accurate or ensure CEOs are properly notifying the OD of changes in employed officers.

In addition, the OD does not effectively utilize the information contained in the officer database to ensure compliance with state laws. This database contains information regarding each licensee's employment records. The OD could use information in this database to prepare reports that would allow OD officials to scan for potential problems. For example, by identifying officers with frequent turnover, OD officials could locate unreported discipline problems; or by identifying officers that appear to be working at multiple law enforcement agencies, OD officials might locate hire/termination forms not properly submitted.

Without effective monitoring, OD officials cannot ensure hire and departure forms have been submitted timely, ensure employed officers have valid licenses, or initiate disciplinary investigations when needed. Periodic confirmations of employment records and periodic reviews of officer database information would help monitor law enforcement agencies' compliance with state laws relating to the POST program.

4.2 Complaints and disciplinary action

The OD needs to improve controls and procedures for tracking and monitoring complaints. In addition, the OD has not established guidance for determining disciplinary action. OD personnel initiate investigations when they learn of alleged actions of peace officers that could lead to discipline. OD personnel learn of these actions through (1) phone calls from private citizens and law enforcement officials, (2) media reports, and (3) departure forms submitted by the law enforcement agencies. Our review noted the following concerns:

- OD personnel do not document the receipt of some complaints. In addition, a tracking number is not assigned to each complaint received. Instead, personnel only log complaints they believe may result in disciplinary action. Without documentation of all complaints received, some complaints are not subject to management oversight to ensure



Department of Public Safety
Office of the Director
Management Advisory Report - State Auditor's Finding

proper handling. In addition, without tracking numbers to track all complaints, there is less assurance personnel took appropriate action for each complaint. Documenting the receipt of all complaints is necessary to provide accountability for complaints and to ensure complaints are appropriately investigated.

- The OD does not adequately track the status of complaints or produce periodic reports informing management of the timeliness of complaint investigations. As a result, there is less assurance complaints are investigated and resolved in a timely manner. The OD periodically generates a report to identify cases to be reviewed based on the follow-up date entered into the database by OD staff. However, OD personnel do not periodically generate or review reports showing the aging of investigations.
- OD personnel do not have adequate procedures in place to prioritize complaints and has not established timeframes to ensure high-priority complaints are addressed in a timely manner. Although the OD has established a timeframe for initial follow up on all complaints and dates are entered to generate reminders for following up on complaints, higher priority complaints are not considered for earlier follow up. Adequate procedures over prioritizing and following up on high-priority complaints is necessary to ensure resources are effectively allocated and high-priority complaints are addressed in a timely manner.
- The OD does not have written guidelines regarding discipline. Currently, once the Administrative Hearing Commission (AHC) decides a case is subject to discipline,⁸ the DPS director or designee has complete discretion over the type of discipline administered. Although decisions are made on a case-by-case basis, written guidelines would provide suggestions to help ensure disciplinary actions are handled consistently.

4.3 Adverse backgrounds

The OD has not documented written guidelines for identifying criminal offenses applicants may commit and still be licensed. The OD receives the results of each criminal background check prior to licensing peace officers to determine if an applicant has an adverse background. If an adverse background is identified, each application is reviewed on a case-by-case basis to determine whether the applicant will be licensed.

⁸ According to Section 590.080, RSMo, when the director has knowledge of cause to discipline a peace officer license, the director may file a complaint with the AHC, which conducts a hearing to determine whether the director has cause for discipline. Upon a finding by the AHC, the director determines the form of discipline to be imposed.



Although adverse backgrounds should be reviewed on a case-by-case basis, documenting the specific offenses typically allowed or unallowed for an applicant to be licensed would provide a set of guidelines to use as a basis in making licensing decisions and would provide added assurance that applications are handled consistently.

Recommendations

- 4.1 Establish monitoring procedures to ensure local law enforcement agencies verify OD employment records of licensed peace officers are complete and accurate. In addition, establish procedures to review information contained in the officer database to help ensure local law enforcement agencies are in compliance with state requirements.
- 4.2 Centrally log all complaints received and assign individual tracking numbers, and develop standardized management reports to help ensure complaint investigations are initiated and completed timely. In addition, establish procedures to prioritize complaints to ensure high-priority complaints are addressed in a timely manner. Also, adopt written guidelines to help ensure disciplinary actions are consistently determined.
- 4.3 Establish written guidelines of criminal offenses applicants may commit and still be licensed.

Auditee's Response

- 4.1 *Pursuant to the POST statutory provisions, the chief executive officer (CEO) of a law enforcement agency is required to notify the director of the Department of Public Safety within 30 days of the hiring or termination of a commissioned officer and is subject to criminal prosecution for purposeful violations (class B misdemeanor Section 590.070 and 590.195.2, RSMo). Agency CEOs are periodically asked to verify the accuracy of their employment roster during the continuing education reporting period, and the POST program provides an on-line roster of commissioned officers for verification by local agencies. The program will continue to emphasize with CEOs the requirement for timely notification and the potential statutory penalties.*
- 4.2 *The POST program logs and tracks complaints that allege actionable grounds for discipline under the statutory provisions. Cases are then prioritized according to the seriousness of the violation, whether the officer is an actively commissioned and working officer, and whether a criminal investigation has been initiated. The program will implement the recommendation to generate a periodic report of pending investigations for review by management and to monitor the progress of those investigations.*



4.3 *Disciplinary action against a peace officer's license encompasses both mitigating and aggravating circumstances, and thus decisions based solely on the charged criminal violation may not be appropriate. Serious offenses may be reduced to minor criminal charges and aggravating circumstances may elevate the seriousness of minor offenses. As a result, the program believes that providing a list of offenses a peace officer may commit and still retain their licensure would not promote adherence to the goals of the overall disciplinary scheme.*

5. Capital Assets

The OD needs to improve capital assets records. In addition, the OD does not maintain a mileage log for the vehicle assigned to the DPS Director. As of June 30, 2012, the SAM II capital asset system indicated total assets of approximately \$4.9 million for the OD.

5.1 Asset management

The OD capital asset records and procedures are inadequate. We noted the following concerns:

- The OD does not maintain complete and accurate records for capital assets. The OD relies on multiple property records to track the OD assets, such as the separate listings maintained for the assets of the various OD programs. However, these lists contain duplicate or incomplete information and are not reconciled. In addition, the property records did not always include information required by state regulations, such as the estimated useful life at the date of acquisition.
- Internal capital asset records are not reconciled to the SAM II capital asset system. OD personnel indicated the SAM II capital asset system might be overstated; however, the OD was unable to determine the total reconciling difference between its internal capital asset records and SAM II. Personnel indicated this problem has occurred because SAM II records include property totaling over \$1.2 million that relates to other state agencies or divisions and may include assets that have been disposed.
- The OD did not perform an annual physical inventory of capital assets as required by state regulations. OD personnel indicated the last full inventory was performed for the period ending June 30, 2010.
- The OD does not always obtain written approval prior to disposing of capital assets or remove disposed assets from the SAM II capital asset system timely. Due to our audit inquiries, an OD official identified 7 vehicles totaling approximately \$468,500 that remained on the SAM II capital asset system even though the vehicles had been disposed of prior to June 30, 2012. The OD subsequently removed these vehicles from the SAM II capital asset system.



State regulation 15 CSR 40-2.031 requires each department to account for all acquisitions and dispositions, 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. In addition, an annual physical inventory of capital assets is required, and should be reconciled to capital asset records and the prior annual physical inventory.

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.

5.2 Director's vehicle

The OD does not maintain mileage logs for the vehicle assigned to the DPS director and has not ensured the use of the vehicle complies with state law or Internal Revenue Service (IRS) reporting requirements. According to OD personnel, the DPS director uses an assigned state-owned vehicle 24 hours a day, 7 days a week. The director's home is in St. Louis and as a result, there is the potential for personal use of this vehicle. According to odometer readings, the director drove this vehicle approximately 35,200 miles in fiscal year 2012.

A mileage log, indicating the date of travel, beginning and ending odometer readings, and the purpose and destination of the trip was not maintained for the director's vehicle, as required by state policy. Without mileage logs, the OD is unable to determine whether, and the amount of personal use, if any, required to be reported to the IRS as a reportable fringe benefit. Mileage logs are necessary to provide assurance that vehicles are used for state purposes only and to provide an audit trail. In addition, Section 301.260, RSMo, states that no officer or employee or other person shall use such a state motor vehicle for other than official use.

Recommendations

The OD:

- 5.1 Maintain complete and accurate capital asset records. Internal records should be reconciled to the SAM II capital asset system, and an annual physical inventory should be conducted, reconciled to capital asset records and the prior annual physical inventory, and documented. In addition, written approval should be obtained prior to disposing of assets and disposed assets should be removed from the capital asset records in a timely manner.



Auditee's Response

5.2 Implement the use of mileage logs for the director's vehicle to ensure proper use of state-owned vehicles and compliance with state law and IRS requirements.

5.1 *A physical inventory has been completed of fixed assets in the Director's Office and a full reconciliation of assets is in process to ensure that all fixed asset items that should be capitalized are accounted for in SAM II.*

5.2 *The OD follows state laws with regard to using state property for official use only.*

6. Excess Property Program and Donated Asset Program Inventory

Inventory management of equipment maintained at a warehouse managed by the OD for the Department of Defense (DOD) Excess Property Program (1033 program) and the Donated Asset Program needs improvement. These programs provide surplus military equipment and donated assets to state and local law enforcement agencies, through the OD, to enhance officer safety and for use in counter-narcotics and counter-terrorism operations.

The OD did not perform an annual physical inventory of the equipment maintained at the warehouse during the 2 years ended June 30, 2012, and according to personnel, a full inventory of the equipment maintained at the warehouse has never been completed. For the 1033 program, the OD primarily relies on DOD personnel, who conduct inventories of a sample of equipment based on DOD records; however, this review is not comprehensive of all equipment stored at the warehouse. During our review, we attempted to locate five equipment items listed on OD records at the warehouse; however, one item, night vision goggles, could not be located. Another item, a laptop, did not match the inventory tag number. According to personnel, this problem was likely due to OD personnel entering an incorrect inventory tag number into the system.

Documented annual physical inventories are necessary to establish proper accountability over the inventory and ensure errors are detected and corrected in a timely manner. Additionally, the failure to maintain a complete and accurate inventory listing increases the potential that loss, theft, or misuse will go undetected or not be detected timely.

Recommendation

The OD perform an annual physical inventory and reconcile the results to the OD inventory records.

Auditee's Response

The OD is in the process of completing a physical inventory that will reconcile all equipment.

Note: The Defense Logistics Agency Disposition Services conducted a 1033 Program Compliance Review June 18 -22, 2013. The Program Compliance



Review for the State of Missouri has been completed. The DLA Law Enforcement Support Office found the state to be compliant with the current terms and conditions as set forth in the Defense Logistics Agency to State Memorandum of Agreement.

7. Use of Appropriations

The OD paid salaries and other costs related to operations of the Governor's office and used appropriations from another DPS division for OD operations.

7.1 Payment of operating costs of the Governor's office

During the 2 years ended June 30, 2012, the OD paid approximately \$67,800 related to salaries and travel costs of the Governor's office.

Personnel costs

In fiscal years 2011 and 2012, the OD paid approximately \$45,100 for a portion of the salaries of seven Governor's office staff. These employees were physically located in and supervised by the Governor's office, and performed duties related to programs and functions of that office. While some of the activities performed by these employees may have related to the OD, it appears their primary job responsibilities were functions associated with the Governor's office.

Documentation was not provided to the OD disclosing how the salary costs charged to the OD were determined. Therefore, it is questionable whether the portion of the salaries paid was a reasonable reflection of the work performed by the applicable employees for the OD. If these employees were performing work primarily benefiting the Governor's office, it appears their salaries should be paid from appropriations of that office.

Airplane flight costs

During fiscal years 2011 and 2012, the OD paid approximately \$22,700 related to air travel costs of the Governor's office. The flights were for various purposes, such as to view disaster sites or attend disaster recovery meetings; to attend various conferences, such as the National Governor's Association Conference; to make policy announcements; to attend commencement ceremonies; and to promote economic development. Flight documentation showed that the majority of the flights only included members of the Governor's staff or immediate family; OD personnel were not included on most flights. We identified 7 of the 9 flights paid in fiscal year 2012 (78 percent) and 35 of the 38 flights paid in fiscal year 2011 (92 percent) did not include a representative from the OD.

While some of these flights may have related to the DPS, it appears the primary purposes of these flights were for functions associated with the Governor's office. It does not appear appropriate for the OD to bear the cost of flights taken by the Governor's office for purposes that appear to be within the scope of the Governor's duties, especially when the flights do not include a representative from the OD. This practice distorts the actual travel



costs of the OD and the Governor's office. Further, the Governor's office has an appropriation to which travel costs may be charged.

7.2 Payment of OD costs by other DPS divisions

During the 2 years ended June 30, 2012, the MSHP paid at least \$19,200 for the purchase and maintenance of the vehicle assigned to the DPS director. While some of the vehicle use may relate to the MSHP or other DPS divisions, the vehicle is primarily used for programs and functions of the OD. OD personnel indicated the MSHP has historically paid for the state vehicle assigned to the DPS director since the patrol is able to purchase vehicles at a lower cost and because the director's vehicle needs to be equipped with law enforcement equipment. However, other divisions paying costs associated with the OD circumvents the appropriation process established by the General Assembly and distorts the actual costs of operating the OD.

Recommendations

- 7.1 The OD work with the Governor's office to discontinue the practice of using OD appropriations to pay operating costs of the Governor's office.
- 7.2 The OD discontinue the practice of using other DPS division appropriations to pay costs related to the vehicle assigned to the DPS Director.

Auditee's Response

- 7.1 *The OD pays for those costs associated with work performed on behalf of the Department.*
- 7.2 *The MSHP is a division of the Department of Public Safety, which the Director oversees, and the use of the MSHP vehicle program provides cost efficiencies.*

8. Crime Victims' Compensation Program

Improvements are needed over controls and procedures relating to the Crime Victims' Compensation (CVC) program. During the 2 years ended June 30, 2012, the OD expended approximately \$12.4 million in state and federal funds on behalf of crime victims through the CVC program.

The CVC program is authorized through Chapter 595, RSMo, to assist victims who suffer bodily harm as a direct result of a crime. The Crime Victims' Compensation Fund (CVCF) was established to determine and award compensation to, or on behalf of, victims of crimes. Appropriations from this fund authorize payments directly to the service providers for medical or funeral expenses, or expenses for other services as allowed as a last resort for the victim. The CVCF will pay a crime victim's actual losses for medical bills, lost earnings or support, and other miscellaneous expenses up to a maximum of \$25,000, which are not reimbursed by any other means.



8.1 Program disbursements

The OD does not have adequate controls and procedures in place to ensure disbursements for the CVC program meet certain program requirements. Procedures, such as a checklist of requirements, are not in place to ensure the various program requirements were considered and met prior to approving the claim for payment. We analyzed CVC payments made during the 2 years ended June 30, 2012 and tested 14 payments. Our review noted the following concerns:

- The OD paid two claims totaling approximately \$2,800 on behalf of a victim; however, since the application was not filed timely, these claims were ineligible. Program requirements require claims to be filed within 2 years of the crime or the discovery of the crime.
- The OD paid one claim totaling approximately \$11,000 on behalf of a victim without obtaining documentation to support that a criminal background check had been performed and that the victim had cooperated with law enforcement personnel, as required by the program.

Adequate controls and procedures are necessary to ensure monies are awarded and paid in compliance with program requirements. A checklist or similar document would assist in ensuring all criteria are met.

8.2 Employment data

The OD has not pursued obtaining access to employment data that could assist the OD in ensuring claimants meet CVC program requirements. Personnel indicated the CVC program previously had access to employment data maintained by the Department of Labor and Industrial Relations (DOLIR); however, access was no longer provided when the CVC program was transitioned from the DOLIR to the OD in 2007. OD personnel indicated the employment data was useful to help ensure claims received were valid and some program requirements were met before making payment. For example, the OD could use the DOLIR data to ensure a lost wages claim was supported or to validate information, such as names and social security numbers, provided on the claim form.

Access to the employment data maintained by the DOLIR would help to ensure payments to claimants are appropriate and in compliance with state and federal requirements.

8.3 Refunds

The OD does not have procedures in place to ensure refunds of CVC claim payments are credited back to the original funding source.

Refunds relating to the CVC program can occur for a variety of reasons, such as when claims paid are later determined eligible for payment from other funding sources, such as Medicaid or other medical insurance. During the 2 years ended June 30, 2012, the OD received refunds totaling approximately \$135,500 relating to victim claims originally paid by federal



CVC program funds. The OD credited the refunds to state CVC program funding sources instead of the federal CVC program. As a result, the OD lacks assurance that federal fund refunds have been used for allowable costs and activities.

According to federal regulation OMB Circular A-87, credits, such as recoveries and adjustments of overpayments, shall be credited to the Federal award either as a cost reduction or cash refund, as appropriate.

Adequate procedures for handling CVC program refunds are necessary to ensure federal expenditures are appropriate and in compliance with federal requirements.

Recommendations

The OD:

- 8.1 Establish procedures and maintain supporting documentation to ensure payments meet program requirements.
- 8.2 Work with the DOLIR to obtain access to employment data and use this data to help ensure program requirements are met prior to making payment.
- 8.3 Establish procedures to ensure refunds for victim claims are properly handled.

Auditee's Response

- 8.1 *In addition to the current process, the CVC program has implemented a checklist to ensure payments meet program requirements.*
- 8.2 *CVC will work with DOLIR to determine whether access to the employment database is allowable.*
- 8.3 *CVC has implemented the recommended change to depositing refunds back into the federal fund where they originated.*

9. Sexual Assault Forensic Exam Program

Improvements are needed over controls and procedures relating to the Sexual Assault Forensic Exam (SAFE) program. The SAFE program, authorized through Section 595.220, RSMo, reimburses medical providers for reasonable charges incurred in collecting evidence during a forensic examination resulting from a sexual assault or sexual abuse in Missouri. The OD paid 3,251 claims totaling approximately \$2.2 million during fiscal year 2012 and 3,365 claims totaling approximately \$2.7 million during fiscal year 2011 relating to the SAFE program.

9.1 Monitoring

The OD has not established monitoring procedures to ensure the charges submitted for reimbursement are reasonable.



The OD requires medical providers to submit supporting documentation as part of the claims process for the SAFE program. During fiscal years 2011 and 2012, the OD paid approximately 70 different providers for SAFE claims. The amount providers claimed for these services varied significantly. During fiscal year 2012, the average claim paid per provider ranged from \$183 to \$1,656 depending on the services claimed for reimbursement. During 2012, the OD promulgated a rule establishing a cap limiting the amount that can be reimbursed for each type of service to the lesser of the cap or actual costs claimed. However, according to personnel, the OD does not have statutory authority to ensure claims submitted by providers are reasonable and necessary.

Section 595.220.8, RSMo states the OD has the authority to promulgate rules and regulations necessary to operate the SAFE program. Without adequate claim review procedures, the OD cannot ensure claims paid are reasonable.

9.2 Supervisory review

The OD does not require an independent supervisory review be performed to ensure the claim amount approved and paid is accurate and in compliance with program requirements. During our review, we identified 3 of the 25 claims reviewed where the provider was either over or under paid. The OD overpaid two providers by a total of \$324 and underpaid another provider by \$200.

Supervisory reviews would help ensure payments processed are accurate and meet program requirements.

Recommendations

The OD:

- 9.1 Promulgate a state rule that authorizes the OD to implement procedures to ensure charges submitted by medical providers for reimbursement are reasonable.
- 9.2 Implement necessary procedures to ensure the accuracy of claim payments.

Auditee's Response

- 9.1 *The OD promulgated a rule in 2011 establishing caps for amounts paid to medical providers for reimbursement under the SAFE program.*
- 9.2 *The CVC program has implemented a claim review process to ensure payments are processed accurately and meet program requirements.*

Auditor's Comment

- 9.1 The OD response does not address the audit recommendation. The fact that the OD promulgated a rule to establish a cap is a positive



Department of Public Safety
Office of the Director
Management Advisory Report - State Auditor's Finding

step and is reflected in the audit finding. However, the recommendation is for the OD to promulgate an additional rule that authorizes the OD to implement procedures to ensure charges submitted by medical providers are reasonable.

Department of Public Safety

Office of the Director

Organization and Statistical Information

The Department of Public Safety (DPS) was established by the Omnibus State Reorganization Act of 1974. Section 650.005, RSMo, states the department's role is "to provide overall coordination in the state's public safety and law enforcement program, to provide channels of coordination with local and federal agencies in regard to public safety, law enforcement and with all correctional and judicial agencies in regard to matters pertaining to its responsibilities as they may interrelate with the other agencies or offices of state, local or federal governments."

The DPS is organized into nine separate divisions: Office of the Director (OD), Missouri Gaming Commission, Missouri State Highway Patrol, Missouri Capitol Police, Division of Alcohol and Tobacco Control, Office of the State Fire Marshal, Missouri National Guard (Office of the Adjutant General), State Emergency Management Agency, and the Veterans Commission.

The director of the DPS is responsible for developing public safety programs, police officer training and certification, and providing legislative guidance on criminal justice issues. In addition, the director is responsible for overseeing the distribution of state and federal resources and funds through grants for narcotics control, victims' assistance, and juvenile justice. Jerry Lee has served as director of the department since October 2011 after he was appointed by the Governor following the departure of the prior director, John Britt.

The OD is organized into eight programs: Homeland Security, Interoperable Communications, Crime Victims Services Unit, Juvenile Justice, Criminal Justice/Law Enforcement, Crime Victims' Compensation, Sexual Assault Forensic Examination, and Peace Officer Standards and Training Program. At June 30, 2012, the OD had 83 full time and 14 part time employees.

Appendix A-1

Department of Public Safety
 Office of the Director
 Combined Statement of Receipts, Disbursements, and Changes in Cash and Investments
 Year Ended June 30, 2012

	DPS - Juvenile Accountability Block Grant Fund	DPS Fund	LABOR and Industrial Relations - Crime Victims - Federal Fund	DPS - Federal - Homeland Security Fund	Missouri Crime Prevention Information and Program Fund	Peace Officer Standards and Training Commission Fund	State Forensic Laboratory Fund	Services to Victims Fund
RECEIPTS								
Court fees	\$ 0	0	0	0	0	0	572,651	3,573,886
Federal grants	682,386	11,762,771	0	48,792,931	0	0	0	0
Interest	10,853	0	0	0	0	5,841	0	0
Refunds/rebates	14	106	0	686	0	0	0	0
Miscellaneous receipts	0	0	2,594,901	541,778	0	1,249,700	0	1,163
Total Receipts	693,253	11,762,877	2,594,901	49,335,395	0	1,255,541	572,651	3,575,049
DISBURSEMENTS								
Personal service	50,469	326,194	0	1,248,801	0	0	0	45,106
Employee fringe benefits	22,423	346,995	0	431,951	0	0	0	21,737
Travel	10,880	33,866	0	125,949	0	0	0	353
Expense and equipment	16,148	42,080	0	6,073,999	0	0	256,477	1,153
Program distributions	819,742	11,024,820	2,598,026	41,453,722	0	1,252,978	334,420	4,260,563
Total Disbursements	919,662	11,773,955	2,598,026	49,334,422	0	1,252,978	590,897	4,328,912
RECEIPTS OVER (UNDER) DISBURSEMENTS	(226,409)	(11,078)	(3,125)	973	0	2,563	(18,246)	(753,863)
OTHER FINANCING SOURCES (USES)								
Transfers from:								
Proceeds of Surplus Property Fund	0	0	0	0	0	0	3,054	0
Transfers to:								
General Revenue Fund	0	0	0	0	0	0	(4,627)	(51,243)
Funding sources received by other agencies	0	13,288,659	0	0	0	0	0	0
Appropriations exercised by other agencies	0	(13,393,829)	0	(348)	0	(17,941)	0	0
Total Other Financing Sources (Uses)	0	(105,170)	0	(348)	0	(17,941)	(1,573)	(51,243)
RECEIPTS OVER (UNDER) DISBURSEMENTS AND OTHER FINANCING SOURCES (USES)	(226,409)	(116,248)	(3,125)	625	0	(15,378)	(19,819)	(805,106)
CASH AND INVESTMENTS, JULY 1, 2011	1,680,894	1,250,691	3,125	0	14	1,285,915	473,687	2,853,333
CASH AND INVESTMENTS, JUNE 30, 2012	\$ 1,454,485	1,134,443	0	625	14	1,270,537	453,868	2,048,227

Appendix A-1

Department of Public Safety
 Office of the Director
 Combined Statement of Receipts, Disbursements, and Changes in Cash and Investments
 Year Ended June 30, 2012

	Crime Victims' Compensation Fund	Antiterrorism Fund	Justice Assistance Grant Program Fund	Deputy Sheriff Salary Supplemental Fund	Federal Stimulus - DPS Fund	Federal Stimulus - DPS Justice Assistance Grant Fund	Total All Funds (Memorandum Only)
RECEIPTS							
Court fees	\$ 6,810,774	0	0	4,524,028	0	0	15,481,339
Federal grants	0	0	5,239,854	0	162,959	0	66,640,901
Interest	24,583	169	51,607	74,548	45	11,803	179,449
Refunds/rebates	29	21	64	0	0	1,240	2,160
Miscellaneous receipts	620,310	4,746	17	0	0	0	5,012,615
Total Receipts	<u>7,455,696</u>	<u>4,936</u>	<u>5,291,542</u>	<u>4,598,576</u>	<u>163,004</u>	<u>13,043</u>	<u>87,316,464</u>
DISBURSEMENTS							
Personal service	414,040	0	224,890	0	12,946	26,183	2,348,629
Employee fringe benefits	195,380	0	79,393	0	0	0	1,097,879
Travel	6,525	0	3,503	0	212	2,755	184,043
Expense and equipment	2,199,012	5,899	173,664	0	284	2,031,770	10,800,486
Program distributions	3,588,109	929	6,378,884	1,058,733	144,947	4,904,316	77,820,189
Total Disbursements	<u>6,403,066</u>	<u>6,828</u>	<u>6,860,334</u>	<u>1,058,733</u>	<u>158,389</u>	<u>6,965,024</u>	<u>92,251,226</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	<u>1,052,630</u>	<u>(1,892)</u>	<u>(1,568,792)</u>	<u>3,539,843</u>	<u>4,615</u>	<u>(6,951,981)</u>	<u>(4,934,762)</u>
OTHER FINANCING SOURCES (USES)							
Transfers from:							
Proceeds of Surplus Property Fund	0	0	0	0	0	0	3,054
Transfers to:							
General Revenue Fund	(106,227)	0	0	(9,294)	0	0	(171,391)
Funding sources received by other agencies	0	0	0	0	1,890,603	0	15,179,262
Appropriations exercised by other agencies	0	(13)	0	0	(1,948,622)	(660,503)	(16,021,256)
Total Other Financing Sources (Uses)	<u>(106,227)</u>	<u>(13)</u>	<u>0</u>	<u>(9,294)</u>	<u>(58,019)</u>	<u>(660,503)</u>	<u>(1,010,331)</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS AND OTHER FINANCING SOURCES (USES)	<u>946,403</u>	<u>(1,905)</u>	<u>(1,568,792)</u>	<u>3,530,549</u>	<u>(53,404)</u>	<u>(7,612,484)</u>	<u>(5,945,093)</u>
CASH AND INVESTMENTS, JULY 1, 2011	3,941,707	27,008	8,099,111	11,661,250	56,212	13,828,428	45,161,375
CASH AND INVESTMENTS, JUNE 30, 2012	<u>\$ 4,888,110</u>	<u>25,103</u>	<u>6,530,319</u>	<u>15,191,799</u>	<u>2,808</u>	<u>6,215,944</u>	<u>39,216,282</u>

Appendix A-2

Department of Public Safety
 Office of the Director
 Combined Statement of Receipts, Disbursements, and Changes in Cash and Investments
 Year Ended June 30, 2011

	DPS - Juvenile Accountability Block Grant Fund	Labor and Industrial Relations - Crime Victims - Federal Fund	DPS - Federal - Homeland Security Fund	Missouri Crime Prevention Information and Program Fund	Peace Officer Standards and Training Commission Fund	State Forensic Laboratory Fund	Services to Victims Fund
RECEIPTS							
Court fees	\$ 0	0	0	0	0	605,112	3,730,381
Federal grants	870,300	10,906,507	0	38,979,476	0	0	0
Interest	14,988	0	0	0	8,000	0	0
Refunds/rebates	11	37	0	995	0	0	1
Miscellaneous receipts	0	0	3,406,385	0	0	1,276,100	64
Total Receipts	885,299	10,906,544	3,406,385	38,980,471	0	1,284,100	605,112
DISBURSEMENTS							
Personal service	32,531	269,717	0	1,222,809	0	0	76,896
Employee fringe benefits	14,334	1,520,384	0	481,757	0	0	37,315
Travel	23,029	46,321	0	207,146	0	0	1,239
Expense and equipment	54,033	125,819	0	5,789,616	961	0	12,776
Program distributions	734,460	10,281,456	3,403,506	31,279,143	0	1,319,733	4,889,637
Total Disbursements	858,387	12,243,697	3,403,506	38,980,471	961	1,319,733	600,189
RECEIPTS OVER (UNDER) DISBURSEMENTS	26,912	(1,337,153)	2,879	0	(961)	(35,633)	4,923
OTHER FINANCING SOURCES (USES)							
Transfers from:							
Crime Victims' Compensation Fund	0	0	0	0	0	0	0
Proceeds of Surplus Property Fund	0	0	0	0	0	124	0
Transfers to:							
General Revenue Fund	0	0	0	0	(25)	(4,267)	(56,872)
Sexual Assault Forensic Exam Fund	0	0	0	0	0	0	0
Funding sources received by other agencies	0	14,045,023	0	0	0	0	0
Appropriations exercised by other agencies	0	(12,020,341)	0	0	0	(17,482)	0
Total Other Financing Sources (Uses)	0	2,024,682	0	0	(25)	(17,482)	(4,143)
RECEIPTS OVER (UNDER) DISBURSEMENTS AND OTHER FINANCING SOURCES (USES)	26,912	687,529	2,879	0	(986)	(53,115)	780
CASH AND INVESTMENTS, JULY 1, 2010	1,653,982	563,162	246	0	1,000	1,339,030	472,907
CASH AND INVESTMENTS, JUNE 30, 2011	\$ 1,680,894	1,250,691	3,125	0	14	1,285,915	473,687

Appendix A-2

Department of Public Safety
 Office of the Director
 Combined Statement of Receipts, Disbursements, and Changes in Cash and Investments
 Year Ended June 30, 2011

	Crime Victims' Compensation Fund	Antiterrorism Fund	Justice Assistance Grant Program Fund	Deputy Sheriff Salary Supplemental Fund	Sexual Assault Forensic Exam Fund	Federal Stimulus - DPS Fund	Federal Stimulus - DPS Justice Assistance Grant Fund	Total All Funds (Memorandum Only)
RECEIPTS								
Court fees	\$ 6,801,022	0	0	6,940,713	0	0	0	18,077,228
Federal grants	0	0	6,419,829	0	0	1,385,151	0	58,561,263
Interest	35,564	182	77,377	44,527	0	87	20,821	201,546
Refunds/rebates	40	0	42	0	0	0	893	2,019
Miscellaneous receipts	625,536	3,300	0	0	0	0	0	5,311,385
Total Receipts	7,462,162	3,482	6,497,248	6,985,240	0	1,385,238	21,714	82,153,441
DISBURSEMENTS								
Personal service	385,147	0	202,595	0	0	19,424	42,089	2,251,208
Employee fringe benefits	189,557	0	72,579	0	0	0	16,643	2,332,569
Travel	6,849	0	6,478	0	0	1,487	1,125	293,674
Expense and equipment	2,186,528	0	182,989	0	0	529	3,275	8,608,308
Program distributions	4,694,410	0	5,758,086	0	752,000	1,352,627	3,076,873	67,890,338
Total Disbursements	7,462,491	0	6,222,727	0	752,000	1,374,067	3,140,005	81,376,097
RECEIPTS OVER (UNDER) DISBURSEMENTS	(329)	3,482	274,521	6,985,240	(752,000)	11,171	(3,118,291)	777,344
OTHER FINANCING SOURCES (USES)								
Transfers from:								
Crime Victims' Compensation Fund	0	0	0	0	752,000	0	0	752,000
Proceeds of Surplus Property Fund	0	0	0	0	0	0	0	124
Transfers to:								
General Revenue Fund	(110,680)	0	0	0	0	0	0	(171,844)
Sexual Assault Forensic Exam Fund	(752,000)	0	0	0	0	0	0	(752,000)
Funding sources received by other agencies	0	0	0	0	0	1,655,612	0	15,700,635
Appropriations exercised by other agencies	0	(14)	0	0	0	(1,620,662)	0	(13,658,499)
Total Other Financing Sources (Uses)	(862,680)	(14)	0	0	752,000	34,950	0	1,870,416
RECEIPTS OVER (UNDER) DISBURSEMENTS AND OTHER FINANCING SOURCES (USES)	(863,009)	3,468	274,521	6,985,240	0	46,121	(3,118,291)	2,647,760
CASH AND INVESTMENTS, JULY 1, 2010	4,804,716	23,540	7,824,590	4,676,010	0	10,091	16,946,719	42,513,615
CASH AND INVESTMENTS, JUNE 30, 2011	\$ 3,941,707	27,008	8,099,111	11,661,250	0	56,212	13,828,428	45,161,375

Appendix B

Department of Public Safety
 Office of the Director
 Comparative Statement of Appropriations and Expenditures

	Year Ended June 30,					
	2012			2011		
	Appropriation Authority	Expenditures	Lapsed Balances	Appropriation Authority	Expenditures	Lapsed Balances
GENERAL REVENUE FUND						
Personal service	\$ 731,584	729,067	2,517	875,088	839,004	36,084
The Missouri Public Safety Officer Medal of Valor Act	508	493	15	625	520	105
Crime Victims' Compensation Program	1,600,000	1,552,000	48,000	800,000	776,000	24,000
Community Intervention Program for youth and families in Kansas City	178,000	0	178,000	0	0	0
Expense and equipment	102,054	65,142	36,912	119,307	68,747	50,560
Total General Revenue Fund	2,612,146	2,346,702	265,444	1,795,020	1,684,271	110,749
DPS - JUVENILE ACCOUNTABILITY INCENTIVE BLOCK GRANT FUND						
Juvenile Accountability Incentive Block Grant Program	1,013,625	841,380	172,245	1,013,625	809,580	204,045
Personal service	60,390	50,469	9,921	60,390	32,532	27,858
Expense and equipment	13,320	5,390	7,930	13,320	1,864	11,456
Total DPS - Juvenile Accountability Incentive Block Grant Fund	1,087,335	897,239	190,096	1,087,335	843,976	243,359
DPS FUND						
Narcotics Control Assistance Program and multi-jurisdictional task forces	165,000	158,309	6,691	1,000,000	126,409	873,591
Victims of Crime Program	7,500,000	6,777,181	722,819	7,500,000	6,738,962	761,038
Juvenile Justice Delinquency Prevention Program	1,377,450	1,369,861	7,589	1,132,450	1,108,797	23,653
Expense and equipment	406,942	46,945	359,997	429,942	114,862	315,080
Violence Against Women Program	2,499,500	2,340,447	159,053	2,499,500	2,009,727	489,773
Residential Substance Abuse Treatment Program	250,000	155,708	94,292	250,000	113,777	136,223
Personal service	331,672	326,194	5,478	369,148	269,717	99,431
National Forensic Sciences Improvement Act Program	257,287	251,781	5,506	257,287	224,301	32,986
Total DPS Fund	12,787,851	11,426,426	1,361,425	13,438,327	10,706,552	2,731,775

Appendix B

Department of Public Safety
Office of the Director
Comparative Statement of Appropriations and Expenditures

	Year Ended June 30,					
	2012			2011		
	Appropriation Authority	Expenditures	Lapsed Balances	Appropriation Authority	Expenditures	Lapsed Balances
LABOR AND INDUSTRIAL RELATIONS - CRIME VICTIMS - FEDERAL FUND						
Crime Victim Compensation Program	2,712,671	2,598,025	114,646	3,407,671	3,403,701	3,970
Total Labor and Industrial Relations - Crime Victims - Federal Fund	2,712,671	2,598,025	114,646	3,407,671	3,403,701	3,970
DPS - FEDERAL - HOMELAND SECURITY FUND						
Personal service	363,297	206,904	156,393	338,225	248,972	89,253
Expense and equipment	52,554,000	48,695,567	3,858,433	41,554,000	38,249,742	3,304,258
Total DPS - Federal - Homeland Security Fund	52,917,297	48,902,471	4,014,826	41,892,225	38,498,714	3,393,511
MISSOURI CRIME PREVENTION INFORMATION AND PROGRAM FUND						
Expense and equipment	50,000	0	50,000	50,000	961	49,039
Total Missouri Crime Prevention Information and Program Fund	50,000	0	50,000	50,000	961	49,039
PEACE OFFICER STANDARDS AND TRAINING COMMISSION FUND						
Peace officer training	1,400,000	1,252,978	147,022	1,400,000	1,319,733	80,267
Total Peace Officer Standards and Training Commission Fund	1,400,000	1,252,978	147,022	1,400,000	1,319,733	80,267
STATE FORENSIC LABORATORY FUND						
State Forensic Laboratory Program	336,000	334,420	1,580	355,000	348,407	6,593
Total State Forensic Laboratory Fund	336,000	334,420	1,580	355,000	348,407	6,593
SERVICES TO VICTIMS FUND						
Personal service	49,277	45,106	4,171	81,348	76,896	4,452
Expense and equipment	4,250	1,506	2,744	17,750	14,015	3,735
Services to Victims Program	4,950,000	4,260,563	689,437	4,950,000	4,889,637	60,363
Total Services to Victims Fund	5,003,527	4,307,175	696,352	5,049,098	4,980,548	68,550
CRIME VICTIMS' COMPENSATION FUND						
Crime Victims' Compensation Program	6,987,329	3,548,314	3,439,015	6,987,329	4,647,995	2,339,334
Expense and equipment	1,456,194	1,300,060	156,134	1,456,194	1,277,582	178,612
Services to Victims Program	50,000	39,795	10,205	50,000	46,576	3,424
Personal service	473,090	414,040	59,050	483,519	385,147	98,372
Total Crime Victims' Compensation Fund	8,966,613	5,302,209	3,664,404	8,977,042	6,357,300	2,619,742

Appendix B

Department of Public Safety
Office of the Director
Comparative Statement of Appropriations and Expenditures

	Year Ended June 30,					
	2012			2011		
	Appropriation Authority	Expenditures	Lapsed Balances	Appropriation Authority	Expenditures	Lapsed Balances
PROGRAM 1122 FUND						
Program 1122 for the purchase of counter-drug equipment through federal procurement channels by state and local law enforcement	500,000	0	500,000	500,000	0	500,000
Total Program 1122 Fund	500,000	0	500,000	500,000	0	500,000
ANTITERRORISM FUND						
Expense and equipment	7,000	6,828	172	5,000	0	5,000
Total Antiterrorism Fund	7,000	6,828	172	5,000	0	5,000
JUSTICE ASSISTANCE GRANT PROGRAM FUND						
Personal service	242,478	224,890	17,588	225,074	202,595	22,479
Expense and equipment	165,800	160,569	5,231	132,860	132,856	4
Narcotics Control Assistance Program and multi-jurisdictional task forces	6,835,000	6,378,884	456,116	6,000,000	5,760,215	239,785
Total Justice Assistance Grant Program Fund	7,243,278	6,764,343	478,935	6,357,934	6,095,666	262,268
DEPUTY SHERIFF SALARY SUPPLEMENTAL FUND						
Missouri Sheriff Methamphetamine Relief Task Force for the purpose of supplementing deputy sheriff's salary and related employee benefits	6,400,000	1,058,733	5,341,267	0	0	0
Total Deputy Sheriff Salary Supplemental Fund	6,400,000	1,058,733	5,341,267	0	0	0
SEXUAL ASSAULT FORENSIC EXAM FUND						
Crime Victims' Compensation Program - sexual assault forensic examinations	0	0	0	752,000	752,000	0
Total Sexual Assault Forensic Exam Fund	0	0	0	752,000	752,000	0
FEDERAL STIMULUS - DPS FUND						
For the purpose of receiving and expending grants for the Violence Against Women Program	400,000	137,752	262,248	1,429,655	1,200,076	229,579
For the purpose of receiving and expending grants for the Crime Victim Assistance Grants Program	24,770	7,923	16,847	225,849	150,437	75,412
For the purpose of receiving and expending grants from the American Recovery and Reinvestment Act for the Rural Law Enforcement Competitive Grant and the Byrne Memorial Competitive Grant	739,999	0	739,999	4,819,170	0	4,819,170
For the purpose of receiving and expending grants for the Violence Against Women Program - personal service	30,000	12,946	17,054	116,153	16,863	99,290

Appendix B

Department of Public Safety
Office of the Director
Comparative Statement of Appropriations and Expenditures

	Year Ended June 30,					
	2012			2011		
	Appropriation Authority	Expenditures	Lapsed Balances	Appropriation Authority	Expenditures	Lapsed Balances
For the purpose of receiving and expending grants for the Violence Against Women Program - expense and equipment	9,457	483	8,974	841	841	0
For the purpose of receiving and expending grants for the Crime Victim Assistance Grants Program - personal service	0	0	0	5,280	2,561	2,719
For the purpose of receiving and expending grants for the Crime Victim Assistance Grants Program - expense and equipment	230	14	216	2,997	1,176	1,821
Total Federal Stimulus - DPS Fund	<u>1,204,456</u>	<u>159,118</u>	<u>1,045,338</u>	<u>6,599,945</u>	<u>1,371,954</u>	<u>5,227,991</u>
FEDERAL STIMULUS - DPS JUSTICE ASSISTANCE GRANT FUND						
For the purpose of receiving and expending grants for the Byrne/Justice Assistance Grants Program	12,938,568	6,925,149	6,013,419	3,443,438	3,076,728	366,710
For the purpose of receiving and expending grants for the Byrne/Justice Assistance Grants Program - personal service	110,000	26,183	83,817	521,895	42,089	479,806
For the purpose of receiving and expending grants for the Byrne/Justice Assistance Grants Program - expense and equipment	15,000	13,836	1,164	1,412,391	4,400	1,407,991
Total Federal Stimulus - DPS Justice Assistance Grant Fund	<u>13,063,568</u>	<u>6,965,168</u>	<u>6,098,400</u>	<u>5,377,724</u>	<u>3,123,217</u>	<u>2,254,507</u>
Total All Funds	<u>\$ 116,291,742</u>	<u>92,321,835</u>	<u>23,969,907</u>	<u>97,044,321</u>	<u>79,487,000</u>	<u>17,557,321</u>

The lapsed balances include the following withholdings made at the Governor's request:

	Year Ended June 30,	
	2012	2011
General Revenue Fund		
Personal service	\$ 0	26,253
For the Missouri Public Safety Officer Medal of Valor Act	15	105
For the Crime Victims' Compensation Program	48,000	0
For the Community Intervention Program for youth and families in Kansas City	178,000	0
Expense and equipment	3,062	30,000
Total General Revenue Fund	<u>\$ 229,077</u>	<u>56,358</u>

Appendix C

Department of Public Safety
Office of the Director
Comparative Statement of Expenditures (From Appropriations)

	Year Ended June 30,				
	2012	2011	2010	2009	2008
Salaries and wages	\$ 3,077,697	3,090,212	1,997,040	1,923,785	1,561,797
Travel, in-state	149,943	236,258	63,041	41,885	21,616
Travel, out-of-state	57,312	70,080	39,845	34,810	41,848
Fuel and utilities	0	1,284	0	0	0
Supplies	155,924	151,833	116,593	80,726	46,929
Professional development	64,865	130,268	34,495	29,885	27,786
Communication services and supplies	55,998	46,445	31,360	42,954	34,300
Services:					
Professional	1,320,151	1,747,095	110,397	56,341	31,335
Housekeeping and janitorial	38	577	608	523	493
Maintenance and repair	1,242,922	1,289,534	1,262,270	1,317,750	1,285,650
Equipment:					
Computer	11,177	39,025	2,123	1,303	6,970
Motorized	0	21,856	0	0	28,273
Office	2,501	34,573	1,501	26,336	17,088
Other	2,079,714	481,713	7,555	0	90,000
Property and improvements	4,714,610	3,382,658	0	0	0
Building lease payments	4,470	59,641	240	80	250
Equipment rental and leases	358	297	38	513	1,243
Miscellaneous expenses	11,627	27,861	4,527	8,723	3,156
Program distributions:					
Distributions to state agencies	5,722,050	3,203,309	0	0	0
Aid to local governments	35,682,879	27,004,439	0	0	0
Program reimbursements	1,470,234	2,593,452	1,641,022	1,909,824	1,518,765
Other assistance benefits	28,597,803	26,146,017	27,088,936	21,221,346	23,139,358
Other program distributions	7,899,562	9,728,573	9,006,320	11,219,316	0
Total Expenditures	\$ 92,321,835	79,487,000	41,407,911	37,916,100	27,856,857