



Thomas A. Schweich
Missouri State Auditor

PUBLIC SAFETY

Missouri State Highway Patrol's Use of Highway Funds

Year Ended June 30, 2014

December 2014

Report No. 2014-126



<http://auditor.mo.gov>



Thomas A. Schweich
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of the Department of Public Safety, Missouri State Highway Patrol's Use of Highway Funds

Background	The State Auditor is required by Article IV, Section 30(b) of the Missouri Constitution and Section 226.200.3, RSMo, to determine whether appropriations from the State Highways and Transportation Fund (State Highway Fund) to the Missouri State Highway Patrol (MSHP) are used for administering and enforcing state motor vehicle laws and traffic regulations.
Methodology	Audit staff reviewed pertinent documents, conducted interviews, and tested selected transactions. Audit staff assessed and tested internal controls and reviewed and tested MSHP calculations.
Conclusions	During the year ended June 30, 2014, the MSHP appears to be in compliance with legal provisions related to the use of Highway Funds.

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

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THOMAS A. SCHWEICH

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Honorable Jeremiah W. (Jay) Nixon, Governor
and
Members of the General Assembly
and
Daniel Isom, Director
Department of Public Safety
and
Colonel Ronald K. Replogle, Superintendent
Missouri State Highway Patrol
Jefferson City, Missouri

We have audited the Department of Public Safety, Missouri State Highway Patrol's Use of Highway Funds, as required by Section 226.200.3, RSMo. The scope of our audit included, but was not necessarily limited to, the year ended June 30, 2014. The objective of our audit was to determine whether the agency is in compliance with legal provisions related to the use of Highway Funds.

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

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

Thomas A. Schweich
State Auditor

The following auditors participated in the preparation of this report:

Deputy State Auditor:	Harry J. Otto, CPA
Director of Audits:	John Luetkemeyer, CPA
Audit Manager:	Dennis Lockwood, CPA
In-Charge Auditor:	Lori Bryant
Audit Staff:	Steven J. Barton

Department of Public Safety

Missouri State Highway Patrol's Use of Highway Funds

Background, Methodology, and Conclusions

Background

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

Limitations and requirements

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

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

During the year ended June 30, 2014, the MSHP utilized appropriations from the State Highway Fund as follows:



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	Appropriation Authority	Expenditures	Lapsed Balances*
Technical services personal service	\$ 13,154,837	11,956,199	1,198,638
Administration personal service	5,595,363	5,404,043	191,320
Administration expense and equipment	422,589	357,940	64,649
Enforcement personal service	65,579,028	61,937,664	3,641,364
Law Enforcement Academy personal service	1,248,056	1,196,430	51,626
Law Enforcement Academy expense and equipment	73,576	59,034	14,542
Vehicle and driver safety personal service	10,685,200	9,995,001	690,199
Vehicle and driver safety expense and equipment	942,525	822,188	120,337
Enforcement expense and equipment	5,522,131	5,484,640	37,491
Technical services expense and equipment	13,686,001	13,342,665	343,336
Refund unused motor vehicle inspection stickers	100,000	37,126	62,874
Fringe benefits personal service	69,521,846	64,250,304	5,271,542
Fringe benefits expense and equipment	6,386,801	5,859,756	527,045
Vehicle replacement expense and equipment	4,818,182	4,654,971	163,211
Gasoline expenses	6,313,699	5,042,461	1,271,238
Crime laboratories personal service	3,749,420	3,458,356	291,064
Crime laboratories expense and equipment	914,499	887,064	27,435
Interoperable system highway	5,000,000	4,317,983	682,017
Interoperable ongoing highway	4,100,000	2,495,382	1,604,618
Total	\$ 217,813,753	201,559,207	16,254,546

* The lapsed balances include withholdings made at the Governor's request totaling \$4,109,609.

Methodology

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

To determine whether the MSHP complied with the limitations on the use of highway funds, we reviewed the MSHP calculations of amounts expended from the State Highway Fund for non-highway activities and the amounts



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expended by the MSHP for highway-related activities from other funding sources. We compared the amounts used in the MSHP calculations to expenditures recorded in the state accounting system (SAM II) and other supporting documentation. In addition, we tested certain expenditures to determine if the expenditures were properly recorded.

Conclusions

We concluded the MSHP appears to be in compliance with legal provisions related to the use of Highway Funds. During fiscal year 2014, the MSHP spent approximately \$2,179,000 appropriated from the State Highway Fund that was not related to highway activities. This amount included non-highway personal service and fringe benefit expenditures made from the State Highway Fund for the Crime Laboratory Division, Training Division, and Administrative Services Bureau; and some gasoline and expense and equipment expenditures from the Administrative Services Bureau. However, these expenditures were more than offset by expense and equipment expenditures of approximately \$4,951,000 incurred by the Crime Laboratory Division, Training Division, and Technical Services Bureau that were related to highway activities but were not paid from the State Highway Fund. As a result, approximately \$2,772,000 more was spent on highway-related activities than was paid from highway funds during fiscal year 2014.