

# Audit Highlights



Highlights of Legislative Auditor report on the Department of Public Safety, Training Division, issued on September 24, 2008. Report # LA08-20.

## Background

The Training Division, created in 1999, provides two primary aspects of training for the Department of Public Safety (DPS). First, the Division provides basic academy recruit level education to the five law enforcement divisions within the Department of Public Safety. All DPS cadets attend the basic law enforcement academy for 19 weeks. Then depending upon the DPS division for which the cadet is assigned, he/she attends 6 more weeks of advanced divisional training. Second, the Division provides DPS employees continuing education programs. The Division also provided or facilitated background investigative services for all DPS new hires in fiscal year 2007.

The Training Division has two locations to accomplish its mission--Carson City and Las Vegas. The Division is primarily funded by Highway Fund and General Fund appropriations which totaled approximately \$1.77 million in fiscal year 2007, of which 90% was from the Highway Fund. In addition, the Division recorded \$2,150 in miscellaneous sales. Fiscal year 2007 expenditures totaled approximately \$1.6 million.

## Purpose of Audit

The purpose of this audit was to evaluate the Division's financial and administrative activities, including whether activities were carried out in accordance with applicable state laws, regulations, policies, and procedures. This audit included a review of the Division's financial and administrative activities during fiscal year 2007; however, certain procedures were extended through June 2008.

## Audit Recommendations

This report contains 12 recommendations to improve the Division's financial and administrative practices. One recommendation relates to ensuring compliance with the State Budget Act. Additionally, three recommendations relate to ensuring compliance with personnel requirements. Also, two recommendations relate to implementing procedures for improving the accuracy of equipment records. In addition, three recommendations relate to enhancing revenue controls and two relate to improving contract oversight. Finally, one recommendation relates to retaining documentation supporting performance measures in accordance with state policy.

The Division accepted the 12 audit recommendations.

## Status of Recommendations

The Division's 60-day plan for corrective action is due on December 23, 2008. In addition, the six-month report on the status of audit recommendations is due on June 23, 2009.

# Training Division

## Department of Public Safety

### Results in Brief

The DPS Training Division generally complied with state laws, regulations, policies, and procedures significant to its financial administration. However, some employees' salaries were not paid from the Division's budget account, work performance standards were not always developed, and many employees did not receive annual performance evaluations. Additionally, property and equipment records were not accurate or properly controlled. Also, controls over miscellaneous revenue and contract oversight could be improved to ensure all receipts are properly accounted for and contract expenditures are appropriate. Finally, the Division did not have documentation to support certain performance measures cited in its fiscal year 2007 Facilities Usage Report.

### Principal Findings

The Training Division's fiscal year 2008 payroll expenditures were understated by nearly \$170,000. Although the Division had 13 full-time equivalent positions authorized by the Legislature, one Training Officer's salary was paid from the Parole and Probation Division's (P&P) budget and two Training Officer's salaries were paid from the Nevada Highway Patrol Division's (NHP) budget. According to Department and Division officials, these employees were on temporary appointments at the Training Division because of issues regarding worker's compensation benefits for heart and lung disease. However, NRS 353.255(1) requires appropriations to be applied solely to the objects for which they are respectively made.

Work performance standards were outdated or had not been developed for most employees examined. Of the 12 employee files tested, 8 did not have work performance standards and the standards were not current for 2 employees. In addition, the Training Division did not complete annual performance evaluations as required by state law for most of the employees tested. We reviewed 10 personnel files and found 7 employees did not receive a performance evaluation during fiscal year 2007. When evaluations are not completed, employees receive automatic merit pay increases regardless of their job performance and deficiencies in performance may not be corrected timely.

The Division's property and equipment records were not accurate. Not all equipment recorded on the Division's inventory reports could be located, some equipment was not included, and some items could not be easily reconciled to the records. Many of these inaccuracies were the result of the Division not conducting annual physical inventories. Furthermore, procedures had not been established to ensure hazardous material (hazmat) protective equipment issued to DPS law enforcement employees is properly controlled. The Division issues each officer a set of hazmat equipment with an approximate total cost of \$400. Division records indicate it expects to issue 750 DPS officers this protective equipment. Although the Division records the issuance of this equipment to each officer, it does not have assurance the equipment will be properly controlled by the officer's assigned agency.

The Division receives periodic payments from a private vendor that salvages lead and brass from the Division's firing range. From fiscal years 2003 to 2008, annual collections ranged from \$200 to \$1,600. However, a contract documenting the fee arrangement had not been developed. As a result, we could not determine if the amounts received were appropriate.

The Training Division did not have sufficient procedures to ensure contract payments were proper. A heating and air conditioning maintenance contract was approved by the Board of Examiners on June 28, 2006; however, the Division made two payments totaling \$895 prior to the effective date. Furthermore, total contract payments exceeded the contract maximum by \$184. Although a contract log was used to track expenditures, not all expenditures were recorded on the log. Consequently, the Division did not have evidence showing certain payments were not within the terms of the contract and total payments had exceeded the limit.

In September 2005, the Senate Committee on Finance and the Assembly Committee on Ways and Means issued DPS a Letter of Intent regarding the approval of a new training facility in Las Vegas. The Department was requested to provide an annual report to the Interim Finance Committee for the 2005-2007 biennium regarding the utilization levels of the Carson City and Las Vegas facilities. Although the Training Division generally had sufficient documentation to support the requested information in its fiscal year 2007 Facilities Usage Report, it could not provide documentation supporting the number of in-service training classes and attendees at each location. As a result, we could not determine if this data is reliable.