

# Audit Highlights



Highlights of Legislative Auditor report on the Department of Public Safety, Nevada Highway Patrol, issued on February 29, 2008. Report # LA08-09.

## Background

The Nevada Highway Patrol (NHP) promotes safety on Nevada highways by providing law enforcement traffic services to the motoring public. NHP's statutory function is to execute, administer, and enforce traffic laws in conjunction with the Department of Motor Vehicles. Its responsibilities also include investigating traffic accidents and regulating motor carriers who transport cargo and hazardous materials on Nevada highways. Additionally, the agency provides security to the Governor and his family.

In fiscal year 2007, the agency had 579 authorized full-time equivalent positions from three budget accounts: Highway Patrol, NHP's main budget account; Highway Safety Grant Account, which is used to record federal grant activity; and Dignitary Protection, which is used to record activities of personnel that provide security to the Governor and his family. The agency is primarily funded by Highway Fund appropriations. Actual expenditures for fiscal year 2007 totaled \$65.3 million, with personnel costs accounting for about 77% of the total.

## Purpose of Audit

The purpose of this audit was to evaluate the NHP's financial and administrative activities, including whether activities were carried out in accordance with applicable laws, regulations, policies, and procedures. This audit included a review of the agency's revenues, expenditures, and accountability over property and equipment from July 1, 2005, to December 31, 2006.

## Audit Recommendations

This audit contains eight recommendations to improve the NHP's financial and administrative practices. Four recommendations relate to ensuring compliance with personnel requirements. In addition, two recommendations relate to improving controls over equipment owned by the agency. Finally, two recommendations relate to improving accountability over fuel and other credit cards.

The NHP accepted seven recommendations and partially accepted one recommendation.

## Status of Recommendations

The Division's 60-day plan for corrective action is due on May 23, 2008. In addition, the six-month report on the status of audit recommendations is due on November 24, 2008.

# Nevada Highway Patrol

## Department of Public Safety

## Results in Brief

The Nevada Highway Patrol generally complied with laws, regulations, policies, and procedures significant to its financial and administrative activities. However, we noted some problems related to personnel requirements, accountability over property and equipment, and credit cards.

Specifically, the agency did not comply with personnel requirements related to evaluating employee performance, agreements for how overtime will be compensated, and work performance standards. In addition, the agency did not perform annual physical counts of equipment or update state property records as needed. Finally, the agency has not maintained a complete, accurate record of fuel and other credit cards issued to employees, or reviewed invoices for reasonableness of charges.

## Principal Findings

The NHP did not complete performance evaluations required by state law for some of the employees tested. We reviewed personnel files for 59 employees and found 26 (44%) did not receive a performance evaluation in accordance with state law. NRS 284.340 requires annual evaluations for employees in the classified service that have achieved permanent status. Evaluations are required more frequently during an employee's probationary period.

The NHP did not always have written agreements with its employees to allow compensatory time in lieu of cash payment when overtime was worked. Of the 57 employees with compensatory time, 16 (28%) had not entered into an agreement with the agency. An additional seven employees, who signed a compensatory time agreement, accrued more than 120 hours of overtime. However, the agreements did not specifically authorize them to accrue more than 120 hours, as required by NAC 284.250.

The NHP did not develop work performance standards for some of its classified employees. Of 59 personnel files reviewed, 14 (24%) did not have work performance standards, or a signed form indicating they have reviewed and understand their work performance standards. State laws and regulations require agencies to develop work performance standards for each position.

Timesheets for NHP employees contained errors resulting in minor underpayments and overpayments to employees. In our review of 60 timesheets, 7 (12%) had payment errors during the pay period tested. Most of the errors occurred because NHP misinterpreted personnel regulations.

With the exception of weapons, the NHP did not perform a complete annual physical count of its equipment as required by statute. Management was unsure when a complete count was last performed. Physical counts of equipment and subsequent reconciliation to state records identify changes that need to be made to inventory records. Because counts were not completed, state records were not updated. Without accurate records of equipment, the agency is at risk for theft or loss going undetected.

NHP has performed an annual physical count of weapons, but did not submit property disposition reports for lost, stolen, transferred, or excessed state property. For example, state records contain 103 weapons that the agency does not have anymore. However, disposition reports were not prepared because personnel mistakenly believed a permanent record needed to be maintained.

NHP does not have a complete, accurate record of fuel and other credit cards issued to employees. State policy and internal control standards require agencies to maintain reliable records. In addition, NHP does not always review fuel invoices for questionable charges prior to payment. The agency's fuel costs were nearly \$1.9 million in fiscal year 2007.