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Carson City, Nevada

We have completed an audit of the Capitol Police Division. This audit is part of the ongoing program of the Legislative Auditor as authorized by the Legislative Commission. The purpose of legislative audits is to improve state government by providing the Legislature, state officials, and Nevada citizens with independent and reliable information about the operations of state agencies, programs, activities, and functions. The results of our audit, including findings, conclusions, recommendations, and the Division's response, are presented in this report.

We wish to express our appreciation to the management and staff of the Capitol Police Division for their assistance during the audit.

Respectfully presented,

A handwritten signature in black ink, appearing to read "Paul V. Townsend".

Paul V. Townsend, CPA  
Legislative Auditor

April 16, 2007  
Carson City, Nevada

STATE OF NEVADA  
DEPARTMENT OF PUBLIC SAFETY  
CAPITOL POLICE DIVISION

AUDIT REPORT

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# **EXECUTIVE SUMMARY**

## **DEPARTMENT OF PUBLIC SAFETY CAPITOL POLICE DIVISION**

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### **Background**

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The Capitol Police Division provides general law enforcement services that enhance the safety of persons on designated state property and prevents theft, loss of use, and damage to those facilities. The Division maintains high visibility posts in Carson City at the Capitol, Attorney General's office, Governor's Mansion, and the Supreme Court. In Las Vegas, the Division has staff at the Grant Sawyer Building and the Supreme Court. According to the Division, 63 state-owned or leased buildings are patrolled daily with about 36,000 miles logged annually to provide a safe environment in and around the buildings.

The Division's legislatively-approved budgets for fiscal years 2006 and 2007 included 32 full-time equivalent positions. The Division is funded by transfers from other agencies: the Division of Buildings and Grounds, the Nevada Highway Patrol (for Dignitary Protection), and the Supreme Court. Actual expenditures for fiscal year 2006 totaled \$2.5 million, with personnel costs accounting for 93% of the total.

### **Purpose**

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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 expenditures, personnel administration, interagency billings, and accountability over property and equipment from July 1, 2005, to December 31, 2006.

## EXECUTIVE SUMMARY

### DEPARTMENT OF PUBLIC SAFETY CAPITOL POLICE DIVISION

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## Results in Brief

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The Capitol Police Division generally complied with laws, regulations, policies, and procedures significant to its financial and administrative activities. However, we noted two areas where requirements for personnel administration were not always followed. One requirement relates to having compensatory time agreements with employees and the other concerns developing employee work performance standards. After the issues were brought to the attention of agency management, they began taking action to remedy the problems.

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## Principal Findings

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- The Division did not have written agreements with some employees who accrued compensatory time in lieu of cash payment for overtime worked, as required by state regulation. Of the 21 employees that accrued compensatory time during fiscal year 2006, seven had not entered into agreements with the Division. After our discussion with agency management, they agreed to develop procedures to ensure employees accruing compensatory time have written agreements with the agency. (page 6)
- The Division did not have evidence that it developed work performance standards for some of its classified employees as required by state laws, regulations, and Department policy. Specifically, evidence was lacking in 9 of 30 employee personnel files reviewed. The lack of work performance standards increases the risk that an employee is unaware of the job elements and the expected results for satisfactory performance. In addition, it would be difficult for a supervisor to fairly

## EXECUTIVE SUMMARY

### DEPARTMENT OF PUBLIC SAFETY CAPITOL POLICE DIVISION

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evaluate employee performance without established standards for rating purposes. (page 7)

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## Recommendations

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This audit report contains two recommendations to improve the Division's fiscal and administrative practices. The first recommendation is to develop written procedures to ensure employees who choose to accrue compensatory time enter into a written agreement with the agency. The second recommendation is to ensure: (1) work performance standards are developed for all employees, (2) the original is retained in the employee's personnel file, and (3) a copy is provided to the employee. (page 12)

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## Agency Response

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The Division, in response to our report, accepted the two recommendations. (page 11)

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## Introduction

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### **Background**

The Capitol Police Division provides general law enforcement services that enhance the safety of persons on designated state property and prevents theft, loss of use, and damage to those facilities. The Division maintains high visibility posts in Carson City at the Capitol, Attorney General's office, Governor's Mansion, and the Supreme Court. In Las Vegas, the Division has staff at the Grant Sawyer Building and the Supreme Court. The Division also provides patrol services to several locations in Carson City. According to the Division, 63 state-owned or leased buildings are patrolled daily with about 36,000 miles logged annually to provide a safe environment in and around the buildings.

The Capitol Police Division began as two night watchmen employed by the newly established Division of Buildings and Grounds in 1949. In 1995 the Nevada Legislature transferred the Capitol Police from the Division of Buildings and Grounds to the Department of Motor Vehicles and Public Safety (DMV&PS), forming a Nevada Capitol Police Division within the Department. DMV&PS was split into two agencies in 2001 and the Capitol Police are now part of the Department of Public Safety.

### **Staff and Budget**

The Division's legislatively-approved budgets for fiscal years 2006 and 2007 included 32 full-time equivalent positions. The Division is headed by a Chief, and has an Administrative Assistant in Carson City. There are 2 supervisors and 17 officers assigned to Carson City, and 1 supervisor and 10 officers assigned to Las Vegas.

The Division is funded by transfers from other agencies: the Division of Buildings and Grounds, the Nevada Highway Patrol (for Dignitary Protection), and the Supreme Court. During fiscal year 2006 the Division recorded about \$2.7 million in receipts. Exhibit 1 shows the funding source amounts and percents of total.

**Capitol Police Division  
Receipts for Fiscal Year 2006**

	<b>Total Receipts</b>	<b>% of Total</b>
Buildings and Grounds	\$2,122,864	79.1%
NHP/Dignitary Protection	376,315	14.0
Supreme Court-Las Vegas	181,990	6.8
Miscellaneous	1,630	0.1
<b>Total Receipts</b>	<b>\$2,682,799</b>	<b>100.0%</b>

Source: State's accounting system.

Actual expenditures for fiscal year 2006 totaled \$2.5 million, with personnel costs accounting for 93% of the total. The excess of receipts over expenditures was reverted to the Buildings and Grounds Fund.

**Scope and Objective**

This audit is part of the ongoing program of the Legislative Auditor as authorized by the Legislative Commission, and was made pursuant to the provisions of NRS 218.737 to 218.893. The Legislative Auditor conducts audits as part of the Legislature's oversight responsibility for public programs. The purpose of the legislative audits is to improve state government by providing the Legislature, state officials, and Nevada citizens with independent and reliable information about the operations of state agencies, programs, activities, and functions.

This audit included a review of Division activities related to expenditures, personnel administration, interagency billings, and accountability over property and equipment from July 1, 2005, to December 31, 2006. The objective of our 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.

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## **Findings and Recommendations**

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The Capitol Police Division generally complied with laws, regulations, policies, and procedures significant to its financial and administrative activities. However, we noted two areas where requirements for personnel administration were not always followed. One requirement relates to having compensatory time agreements with employees and the other concerns developing employee work performance standards. After the issues were brought to the attention of agency management, they began taking action to remedy the problems.

### **Personnel Requirements Not Always Followed**

The Division did not comply with two requirements related to personnel administration. First, the Division did not enter into written agreements with employees that chose to accrue compensatory time in lieu of cash payment for overtime worked. Agency personnel did not realize a written agreement was required. Second, the Division did not have evidence that it developed work performance standards for some of its classified employees. Work performance standards serve numerous purposes, including documenting what is expected of employees in their current position.

#### **Written Agreements Are Needed**

The Capitol Police Division did not have written agreements with some employees who accrued compensatory time in lieu of cash payment for overtime worked. Of the 21 employees that accrued compensatory time during fiscal year 2006, seven had not entered into agreements with the Division. NAC 284.250 requires a written agreement between an agency and employee when an employee is compensated for overtime by accruing compensatory time.

A written agreement would clearly communicate and document the employee and employer's rights and choices relative to overtime compensation. Furthermore, once agreements are signed, the Division is not obligated to pay employees for overtime worked. Instead, it can compensate employees by allowing them to take time



off. As of December 31, 2006, the Division's liability for accrued compensatory time was approximately \$18,200.

One factor contributing to the lack of written agreements was the agency did not have written procedures concerning compensatory time agreements. After our discussion with agency management, they agreed to develop procedures to ensure employees accruing compensatory time have written agreements with the agency.

### **Work Performance Standards Were Not Always Developed**

The Division did not have evidence that it developed work performance standards for some of its classified employees. Specifically, evidence was lacking in 9 of 30 employee personnel files reviewed. The nine employees without standards were hired from September 2005 through November 2006. State laws and regulations require agencies to develop work performance standards for each position and to provide each employee with a copy of the standards. Additionally, Department of Public Safety policy requires the development of work performance standards for every position, that each employee receive a current copy, and that a copy of the signed standard is sent to the Department's Personnel section.

Work performance standards document the results and behavior expected of an employee in a particular position. The lack of work performance standards increases the risk that an employee is unaware of the job elements and the expected results for satisfactory performance. In addition, the standards are to be used in evaluating an employee's performance. Consequently, it would be difficult for a supervisor to fairly evaluate employee performance without established standards for rating purposes.

Division personnel indicated that a supervisor gave four of the employees the original work performance standards but did not retain a copy for the personnel files. Agency personnel did not know why the remaining five personnel files lacked work performance standards. After our discussion with agency management, standards were prepared for the nine employees.

### **Recommendations**

1. Develop written procedures to ensure employees who choose to accrue compensatory time enter into a written agreement with the agency.

2. Ensure: (1) work performance standards are developed for all employees, (2) the original is retained in the employee's personnel file, and (3) a copy is provided to the employee.

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# Appendices

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## Appendix A Audit Methodology

To gain an understanding of the Capitol Police Division, we interviewed Division staff and reviewed statutes, regulations, policies, and procedures significant to the Division's financial and administrative operations. We also reviewed financial reports, prior audit reports, budgets, minutes of various legislative committees, and other information describing the activities of the Division. Furthermore, we documented and assessed the Division's controls over expenditures, personnel administration, interagency billings, and property and equipment.

To accomplish our objective, we randomly selected 30 non-payroll expenditures and 10 travel claims and tested each for proper recording, approval, and compliance with laws, regulations, policies, and procedures. We also tested all equipment purchases for proper recording, approval, and compliance with laws, regulations, policies, and procedures. In addition, we reviewed the 10 largest credit entries to expenditures to determine their propriety.

To determine if payroll expenditures were appropriate, we randomly selected timesheets for 30 employees processed during the 18 months ended December 31, 2006. The timesheets were tested for compliance with applicable laws, regulations, policies, and procedures. We reviewed timesheets for accuracy in recording hours including shift differential, overtime, and callback pay. We also determined whether work performance standards were established for all classified employees, employees received performance evaluations, and written agreements were established when employees accrued compensatory time. Finally, we determined whether the Division complied with applicable laws, regulations, policies, and procedures related to accrued compensatory time, uniform allowances, and mandatory training for Peace Officers' Standards and Training Commission (POST) certification.

To evaluate compliance with property and equipment requirements, we determined whether the Division performed annual physical inventories. Based upon

inherent risk of loss or misuse, we examined all weapons in storage from the most current Purchasing Division inventory report to confirm their physical existence. We also selected applicable assets physically located at the Carson City headquarters office and traced them to the inventory report.

To test interagency billings, we selected the four largest billing claims and verified the billings were accurate, timely, and adequately supported.

Our audit work was conducted from October 2006 to February 2007, in accordance with generally accepted government auditing standards.

In accordance with NRS 218.821, we furnished a copy of our preliminary report to the Director of the Department of Public Safety and the Chief of the Capitol Police Division. On April 4, 2007, we met with agency officials to discuss the results of the audit and requested a written response to the preliminary report. That response is contained in Appendix B, which begins on page 11.

Contributors to this report included:

Jill A. Silva, CPA  
Deputy Legislative Auditor

Richard A. Neil, CPA  
Audit Supervisor

Stephen M. Wood, CPA  
Chief Deputy Legislative Auditor

**Appendix B**  
**Response From the Capitol Police Division**

**JIM GIBBONS**  
*Governor*

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**PHILLIP A. GALEOTO**  
*Director*

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**STATE OF NEVADA**  
**DEPARTMENT OF PUBLIC SAFETY**  
**CAPITOL POLICE**

April 5, 2007

Paul V. Townsend, CPA  
Legislative Auditor  
401 S. Carson St.  
Carson City, NV 89701

Dear Mr. Townsend:

We have reviewed your recommendations that resulted from the recent audit of the Capitol Police. We have begun to implement corrective actions per your recommendations.

- *Compensatory time agreement*- The Department of Public Safety is currently in the process of revising the "Compensatory time for Overtime Worked" form which is currently given to employees at initial orientation. This rewrite should be completed within a few weeks and, at that time, will be distributed to all DPS employees for signature. Capitol Police will change our "Training Plan for New Officers" to include a copy of the agreement to be kept in our files. This will be kept in the Administrative Assistant IV desk procedures.
- *Work Performance Standards*- the Capitol Police have changed our "Training Plan for New Officers" to reflect discussion of standards, signature, original to Capitol Police personnel files and a copy to the officer.

We would like to thank you again for the congeniality of your staff and appreciate your recommendations.

Sincerely,

Brad Valladon, Chief  
Nevada Capitol Police

BV/lb

cc: Director Phil Galeoto

Administrative Services Division • Capitol Police • Criminal Justice Assistance • Division of Emergency Management  
Emergency Response Commission • State Fire Marshall • Nevada Division of Investigation • Nevada Highway Patrol • Office of Traffic Safety  
Parole and Probation • Public Safety Technology • State Board of Parks Commissioners • Training Division

## Capitol Police Division Response to Audit Recommendations

<u>Recommendation Number</u>		<u>Accepted</u>	<u>Rejected</u>
1	Develop written procedures to ensure employees who choose to accrue compensatory time enter into a written agreement with the agency .....	<u>  X  </u>	<u>      </u>
2	Ensure: (1) work performance standards are developed for all employees, (2) the original is retained in the employee's personnel file, and (3) a copy is provided to the employee.....	<u>  X  </u>	<u>      </u>
TOTALS		<u>    2    </u>	<u>    0    </u>