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We have completed an audit of the Department of Public Safety's Training 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 Training 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

September 4, 2008
Carson City, Nevada

STATE OF NEVADA
DEPARTMENT OF PUBLIC SAFETY
TRAINING DIVISION

AUDIT REPORT

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EXECUTIVE SUMMARY

DEPARTMENT OF PUBLIC SAFETY TRAINING DIVISION

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

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.

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DEPARTMENT OF PUBLIC SAFETY TRAINING DIVISION

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. (page 8)

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DEPARTMENT OF PUBLIC SAFETY TRAINING DIVISION

- 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. State laws and regulations require agencies to develop work performance standards for each position. When work performance standards are not developed there is an increased risk employees are unaware of their job elements and expected results for satisfactory performance. In addition, standards serve as the basis for evaluating an employee's performance. (page 9)
- 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. (page 9)
- Four employees that accrued more than 120 hours of compensatory time had not signed an agreement allowing them to do so. Regulations limit the accrual of comp time to 120 hours unless there is specific authorization to accrue up to 240 hours. When an agreement is established, employees may receive compensatory time rather than pay for overtime worked. (page 10)
- 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. Physical counts of equipment and subsequent reconciliation to

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DEPARTMENT OF PUBLIC SAFETY TRAINING DIVISION

the state's inventory records identify changes that need to be made to inventory records. (page 11)

- 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. (page 11)
- 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. Furthermore, we were unable to determine if all payments were deposited or if the deposits were timely since cash receipt forms were not prepared during fiscal year 2007. (page 13)
- 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. (page 14)

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DEPARTMENT OF PUBLIC SAFETY TRAINING DIVISION

- 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. (page 15)

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. (page 22)

Agency Response

The Division, in response to our audit report, accepted the 12 recommendations. (page 18)

Introduction

Background

The Legislature authorized the formation of the Department of Motor Vehicles-Public Safety (DMV-PS) Training Division in 1999. In 2001, DMV-PS split into two departments and the Training Division became part of the Department of Public Safety (DPS). The Training Division's mission is to facilitate progressive, effective training in basic law enforcement, continuing education, career growth and development of the DPS employees, utilizing professional and ethical methodology.

There are two primary aspects of training provided by the Training Division. First, the Division provides basic academy recruit level education to the five law enforcement divisions within the Department of Public Safety. These divisions consist of the Highway Patrol, Parole and Probation, Investigations, Capitol Police, and State Fire Marshal. 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.¹ Second, the Division provides DPS employees continuing education programs. All DPS Peace Officers are required to complete 24 hours of continuing education every year. In addition, the Division offers other education courses and programs which are attended by DPS sworn officers, DPS civilian support staff, and other law enforcement entities. These courses are offered throughout the state at various locations. In addition to its training duties, the Division provided or facilitated background investigative services for all DPS new hires in fiscal year 2007.

The Training Division operates two locations to accomplish its mission--Carson City and Las Vegas. The Training Division's budget for fiscal year 2007 included 15.96 authorized full-time equivalent (FTE) positions which included 3.96 positions assigned to the Background Investigations Unit.² The Division is primarily funded by Highway

¹ Similar to the Training Division, the Peace Officers' Standards & Training (POST) Commission operates a law enforcement academy to train peace officers from rural jurisdictions.

² The Legislature approved the transfer of the Background Investigations Unit and 2.96 FTEs to the DPS Administrative Services Division effective July 1, 2007.

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 during fiscal year 2007. This income was derived from renting its firing range to local law enforcement entities and from the sale of brass and lead collected from the range. Fiscal year 2007 expenditures totaled approximately \$1.6 million, as shown in Exhibit 1.

Exhibit 1

**Training Division Expenditures
Fiscal Year 2007**

	Expenditures
Personnel Services	\$1,013,860
Operating*	393,708
Background Investigations	60,128
Information Technology	45,163
Inter/Intra-Agency Cost Allocations	84,592
Total Expenditures	\$1,597,451

Source: Auditor calculated from Budget Status Reports.

* Includes Operating, In-state Travel, Utilities, Vehicle Reimbursements, Firing Range, Uniforms, Physicals, and Training.

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 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 the Division's financial related activities during fiscal year 2007; however, certain procedures were extended through June 2008. Our audit objective was to determine if the Division's financial and administrative activities were carried out in accordance with applicable state laws, regulations, policies, and procedures.

Findings and Recommendations

Financial and Administrative Controls Can Be Strengthened

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.

Expenditures Understated

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, 3 positions were not paid from the Training Division's budget account. Beginning in September 2007, 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. As of June 1, 2008, the Training Division's fiscal year 2008 payroll expenditures were understated by approximately \$168,000 and NHP's and P&P's were overstated by \$103,000 and \$65,000, respectively.

According to Department and Division officials, these employees were on temporary appointments at the Training Division because of issues regarding worker's compensation benefits. NRS Chapter 617 requires a DPS officer to be employed by either P&P or NHP for 5 or more years of full-time continuous and uninterrupted service to qualify for heart and lung disease benefits. Since the three employees had not met this requirement, they were not formally transferred to the Training Division. However, NRS 353.255(1) requires appropriations to be applied solely to the objects for which

they are respectively made. In addition, NAC 284.414 requires that a temporary appointment must not exceed 6 months in any 12-month period unless the appointment is authorized as a replacement for an employee who is receiving benefits for temporary total disability or on a leave of absence for active military service.

Recommendation

1. Pay employees from the budget account authorized by the Legislature and the State Budget Act.

Personnel Requirements Not Always Followed

The Training Division did not always comply with requirements for personnel administration. Many employees did not have work performance standards and the Division did not complete employee performance evaluations for most of the employees tested. Finally, some employees did not have the appropriate agreements to accrue compensatory time in excess of 120 hours.

Work Performance Standards Were Not Developed or Current

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. State laws and regulations require agencies to develop work performance standards for each classified position.

Work performance standards serve as a written statement of principal job assignments and the results expected from an employee. When work performance standards are not developed, there is an increased risk the employees are unaware of the job elements and expected results for satisfactory performance. In addition, standards serve as the basis for evaluating an employee's performance.

Performance Evaluations Were Not Completed

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. NRS 284.340 requires annual evaluations for employees in the classified service that have achieved permanent status.

Evaluations serve several purposes: (1) evaluating an employee's effectiveness in performing assigned duties and responsibilities; (2) identifying factors that can improve job performance; (3) clarifying performance standards as they relate to the current job description; and (4) assisting employees to develop additional knowledge, skills, and abilities for advancement. In addition, without evaluations, employees receive automatic merit pay increases regardless of their job performance and deficiencies in performance may not be corrected timely.

Compensatory Time Agreements Are Needed

The Training Division did not have written agreements with its employees to allow compensatory time in lieu of cash payment when overtime was accrued in excess of 120 hours. We noted four employees that accrued more than 120 hours of compensatory time had not signed an agreement allowing them to do so. When an agreement is established, employees may receive compensatory time rather than pay for overtime worked.

NAC 284.250 requires a written agreement between an agency and its employees to accrue compensatory time if the method of compensating an employee is other than cash. This regulation also limits the accrual of comp time to 120 hours unless there is specific authorization to accrue up to 240 hours. Although, DPS has developed an agreement for the accrual of comp time up to 120 hours, Department officials stated an agreement for accrued comp time in excess of 120 hours had not been developed.

Recommendations

2. Develop work performance standards for all classified employees and amend the standards when appropriate.
3. Ensure employees receive performance evaluations as required by state law.
4. Establish compensatory time agreements for those employees accruing overtime in excess of 120 hours.

Procedures Needed to Ensure Accurate Equipment Records

The Training Division needs additional procedures to ensure equipment records are accurate. First, 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. Second, the Division had not established controls to ensure thousands of dollars of hazardous material protective equipment it issues is properly accounted for. Without accurate equipment inventory records, there is an increased risk the state's assets can be converted to personal use or lost.

Inaccurate Records

During our testing of equipment records, we noted the following discrepancies:

- Four of 36 items tested could not be located - a projector and three computers.
- Ten items including 2 shotguns and 5 hand guns were not listed on the inventory reports.
- Fifteen self-contained breathing units valued at \$2,275 each and one laptop computer, all of which were acquired in 2006, did not have asset identification tags.
- Four assets were removed from the inventory records without preparing the appropriate report.

Many of these inaccuracies were the result of the Division not conducting comprehensive annual physical inventories as required by statute. Physical counts of equipment and subsequent reconciliation to the state's inventory records identify changes that need to be made to inventory records. The State Administrative Manual (SAM) requires agencies to report all excess, stolen or lost assets, or assets needing addition to the State Purchasing Division with a Property Disposition Report. SAM also requires state identification tags be attached when the equipment is received. After bringing these discrepancies to management's attention, Property Disposition Reports were prepared to delete certain items.

Hazardous Material Protective Equipment

Procedures had not been established to ensure hazardous material (hazmat) protective equipment issued to DPS law enforcement employees is properly controlled. Since fiscal year 2005, the Division has received hazmat protective equipment and

supplies exceeding \$500,000 from federal grant funds controlled by the Division of Emergency Management. The Training Division coordinates the hazardous material incident training for the Department and issues the equipment. Upon completion of the training, each officer receives a set of equipment that consists of a breathing apparatus, specialized suit, boots, and gloves with an approximate total cost of \$400. Although the Training Division records the issuance of the equipment to each officer, it does not have assurance the equipment will be properly controlled by the agency the officer is assigned to. The Training Division's records indicate it expects to issue 750 DPS officers this protective equipment.

Sound internal control standards require procedures that help ensure the state assets are properly controlled. For example, the DPS Administrative Services Division and Director's Office's internal control procedures require that all equipment issued to staff be inventoried, tracked, and returned upon the employee's separation from service. Therefore, the Training Division should establish procedures that help ensure the appropriate divisions within the Department include this equipment in their employees' inventory records.

Recommendations

5. Ensure: (1) inventory is taken on an annual basis and is reconciled to the State's records, (2) all firearms are recorded on the inventory report, (3) state identification tags are attached when assets are received, and (4) property is properly disposed of.
6. Work with Department officials to develop procedures that ensure hazmat protective equipment is properly transferred to the appropriate divisions.

Additional Revenue Controls Needed

Improved controls over miscellaneous revenue can help ensure state funds are collected in accordance with state law. Revenue collections from lead and brass salvage fees were not properly documented or controlled. In addition, key duties for

revenue collection were not sufficiently segregated. Additional controls will help ensure miscellaneous sales revenue is properly recorded and safeguarded from loss or misuse.

Brass and Lead Sales Need Better Documentation

The Training Division had not established a contract for the collection of fees from a private vendor or properly controlled these collections. The Division receives periodic payments from a private vendor that salvages lead and brass from the Division's firing range. From fiscal years 2003 through 2008, annual collections ranged from \$200 to \$1,600. However, a contract documenting the lead and brass salvage fee arrangement had not been developed. In addition, the Division recorded cash payments totaling \$650 during fiscal year 2007 but did not prepare cash receipt forms. Because a written contract had not been executed, we could not determine if the amounts received were appropriate. Furthermore, we were unable to determine if all payments were deposited or if the deposits were timely since cash receipt forms were not prepared.

State law requires agencies to establish contracts with independent contractors. In addition, all revenue-generating contracts must be approved in the same manner as expenditure contracts. Finally, the Office of State Controller's Accounting Policies and Procedures recommend using receipt forms that are numerically sequenced and payments should be by check, if feasible. Instituting these practices will enhance internal control and ensure auditable records.

Segregation of Duties Could Be Enhanced

The Division did not adequately segregate duties for handling revenue transactions. The Division allows other public entities to use the Division's firing range for a fee in accordance with interlocal contracts signed by the entities. For the range fee collection process, the same individual prepared the billing invoices, received the checks, completed the deposit forms, and deposited the funds. Although the Division has only one fiscal position, procedures did not ensure key revenue controls were assigned to other non-financial positions.

NRS 353A.020 requires agencies to appropriately segregate duties to safeguard the assets of the agency. Without separation of duties, fee revenue is susceptible to

loss without being detected. No one individual should control all key aspects of a transaction or event.

Recommendations

7. Develop a contract for lead and brass salvage fees and request payments by check, if feasible.
8. Prepare cash receipt forms for all cash collections.
9. Segregate the cash receipting and depositing processes to the extent possible.

Contract Oversight Needs Improvement

The Training Division did not have sufficient procedures to ensure contract payments were proper. At the end of fiscal year 2006, the Division entered into a contract for the quarterly maintenance and emergency repair of its heating and air conditioning units at the Carson City facility. The contract was approved by the Board of Examiners on June 28, 2006; however, the Division made two quarterly maintenance payments totaling \$895 prior to the effective date. Furthermore, total contract payments exceeded the contract maximum by \$184. State law and policies require agencies to obtain approval from the Board of Examiners for contracts prior to the work being performed and the obligation of state funds.

These problems could have been avoided with better contract oversight. Although a contract log was used to track expenditures, not all expenditures, including the two unauthorized maintenance payments, 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 \$6,080 limit.

Recommendations

10. Record all payments on contract logs to help ensure (1) the payments are in accordance with the terms of the contract, and (2) payments do not exceed the authorized contract amount.
11. Obtain the Board of Examiners' approval prior to allowing contractors to perform work.

Performance Measures Not Always Verifiable

The Division could not always provide verifiable documentation to support certain performance measures. On September 15, 2005, the Senate Committee on Finance and the Assembly Committee on Ways and Means issued the Department of Public Safety a Letter of Intent regarding the approval of a new training facility in Las Vegas. Because the Department could not provide these committees with an accurate prediction of the utilization levels of the Carson City and Las Vegas training facilities, the Department was requested to provide an annual report to the Interim Finance Committee for the 2005-2007 biennium. This report was to include the following:

- number of cadets trained at each facility,
- number and type of in-service training classes held and the number of attendees at each location, and
- the recordkeeping status of the training received by the Department's peace officers.

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.

The State Administrative Manual requires agencies to develop written procedures documenting how performance measures are developed and to retain the records used in computing the measures for three fiscal years. When supporting documentation is not available, it increases the risk that a performance measure is not reliable. Although performance information is key to the Training Division's mission, the Division had not developed procedures to help ensure its performance measures are reliable.

Recommendation

12. Develop written procedures to help ensure documentation supporting the Division's performance measures is retained in accordance with state policy.

Appendices

Appendix A Audit Methodology

To gain an understanding of the Training Division, we interviewed Division staff and reviewed statutes, regulations, policies, and procedures significant to the Division's fiscal operations. We also reviewed financial reports, budgets, minutes of various legislative committees, and other information describing the activities of the Division. Furthermore, we documented and assessed the Division's internal controls over financial activities.

To accomplish our objective, we randomly selected 25 non-payroll expenditures, 12 travel claims and selected all equipment purchases to test for proper recording, approval, and compliance with laws, regulations, policies, and procedures. We also reviewed all four of the Division's personal services contracts, one building lease, and two equipment leases to determine whether the contracts were properly authorized and payments were made in accordance with the contract terms. In addition, based on remaining budgetary authority, we randomly selected 12 expenditure transactions recorded in fiscal years 2006, 2007, and 2008 to verify they were recorded in the correct fiscal year. We also reviewed the five largest credit entries to expenditures to determine their propriety.

To determine if payroll and personnel administration requirements were met, we randomly selected two pay periods and verified the payroll transactions were processed correctly. All timesheets were tested for compliance with applicable state laws, regulations, policies, and procedures. We also verified that work performance standards were established for all employees, employees received performance evaluations, and the presence of compensatory time agreements.

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 judgmentally selected 20 items on the Las Vegas inventory list and 15 items from the Carson City inventory lists and verified their physical

existence. We also selected 6 assets physically located at the Las Vegas facility and 14 assets physically located at the Carson City facility and traced them to the inventory report.

We tested all revenue receipts to determine whether revenue was collected and deposited in accordance with statutory requirements, if it was deposited to the proper fiscal year, and that controls over cash receipt forms were adequate. In addition, we contacted three public entities that manage firing ranges to gain perspective about lead and brass salvage procedures.

Finally, to determine if the performance measures reported in the Division's 2007 Facilities Usage Report to the Legislature's Interim Finance Committee were reliable, we requested supporting documentation to determine if the reported measures were mathematically correct and the underlying records were complete.

Our audit work was conducted from December 2007 to June 2008, in accordance with generally accepted government auditing standards as revised by the U.S. Comptroller General in July 2007.

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 Training Division. On August 25, 2008, 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 18.

Contributors to this report included:

Jill Silva, CPA
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Appendix B Response From the Training Division

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September 4, 2008

Mr. Paul V. Townsend, CPA
Legislative Auditor
Legislative Counsel Bureau

Dear Mr. Townsend,

Thank you for the opportunity to provide brief commentary to the Legislative Counsel Bureau's recent audit findings and recommendations for the Department of Public Safety Training Division. I'd also like to thank Jill Silva for her professionalism and interoperability during the audit.

RECOMMENDATION 1: Pay employees from the budget account authorized by the Legislature and the State Budget Act.

Per NRS 617.135, officers of the Department of Public Safety (DPS) Training Division (Division) are not included in the definition of "Peace Officer" relating to workers' compensation benefits for Heart and Lung diseases. (AB 89 in the 2007 Session attempted to amend 617.135 to include officers of the Division. The bill was approved by the Assembly on June 3, 2007. It came out of the Senate as "Do pass as amended" on June 5, 2007, back to the Assembly, where no further action was taken as the legislature terminated the session the same day. Another BDR attempting to amend 617.135 in the 2009 session has been submitted and is currently in the status of "reserved as budget bill".)

Resultantly, the Training Division utilized three sworn officers from two other DPS Divisions in order to run four basic academies. These three officers were originally assigned to the Training Division; however, when it was realized that they were not covered under worker's compensation benefits for heart and lung disease, the DPS Director, after consultation with the Department's Attorney General, ordered that they be immediately returned to their originating divisions, and placed on temporary duty assignment to the Training Division. These officers were retained on temporary duty assignment due to recruiting difficulty and the need to have experienced qualified training officers to train the cadets of the DPS Divisions effectively.

Administrative Services • Capitol Police • Criminal Justice Assistance • Emergency Management • Homeland Security
Emergency Response Commission • State Fire Marshal • Investigations • Highway Patrol • Office of Traffic Safety • Parole and Probation
Records and Technology • Board of Parole Commissioners • Training • Office of Professional Responsibility

RECOMMENDATION 2: Develop work performance standards for all classified employees and amend the standards when appropriate.

As Administrator of the Training Division, I recognize the criticality of current work performance standards for each Division employee. At the time of appointment in June 2007, I ascertained that work performance standards for the majority of Division employees did not exist. Work performance standards were established for all positions, and were in place at the time this audit was conducted.

RECOMMENDATION 3: Ensure employees receive performance evaluation as required by state law.

As Administrator of the Training Division, I recognize the criticality of ongoing employee performance appraisal. At the time of appointment in June 2007, I ascertained that performance evaluations had not been prepared. The issue immediately became, and is currently, a continuing priority. At the present time, all employee evaluations are current.

RECOMMENDATION 4: Establish compensatory time agreements for those employees accruing overtime in excess of 120 hours.

In discussions with the auditors, it was pointed out that, while Training Division personnel had signed Agreement on Compensation for Overtime Worked forms, they had not signed a form providing for the accrual of compensatory time in excess of 120 hours. A compensatory time agreement has been developed, signed, and filed for by all classified employees of the Division, and is available for review.

RECOMMENDATION 5: Ensure: (1) inventory is taken on an annual basis and is reconciled to the State's records, (2) all firearms are recorded on the inventory report, (3) state identification tags are attached when assets are received, and (4) property is properly disposed of.

- (1) The Training Division did not conduct an inventory in FY 2007. An inventory will be completed by December 31, 2008, and thereafter at the end of each fiscal year.
- (2) All Division firearms are now listed on the inventory report. Property tags have been requested from State Purchasing.
- (3) Property Disposition Reports have been completed for all affected items and will be followed up on to ensure completion.

RECOMMENDATION 6: Work with Department officials to develop procedures that ensure hazmat protective equipment is properly transferred to the appropriate divisions.

The Training Division provides hazmat training to DPS officers. At the end of the training, each officer receives a number of protective gear items. The Division will create a form listing the individual and all protective equipment issued to that officer. The list will then be forwarded to the appropriate Division.

Administrative Services • Capitol Police • Criminal Justice Assistance • Emergency Management • Homeland Security
Emergency Response Commission • State Fire Marshal • Investigations • Highway Patrol • Office of Traffic Safety • Parole and Probation
Records and Technology • Board of Parole Commissioners • Training • Office of Professional Responsibility

RECOMMENDATION 7: Develop a contract for lead and brass salvage fees and request payments by check, if feasible.

The private vendor who salvages lead and brass from the DPS firing range has been advised and understands that payments must be made by check, and must be made at the Training Division office, not at the firing range. The DPS contracts manager has been tasked with preparing contract/interlocal agreement documentation, a process that is estimated to take up to six months.

RECOMMENDATION 8: Prepare cash receipt forms for all cash collections.

This recommendation is related to Recommendation 7. The only payments received by the Division are from the private vendor who salvages lead and brass from the DPS firing range. The vendor has been asked to pay by check. All Division staff in the Carson City facility have been instructed that no payments of any kind, cash or otherwise, will be accepted without providing a written receipt from the receipt book located in the Division office.

RECOMMENDATION 9: Segregate the cash receipting and depositing processes to the extent possible.

This recommendation is related to Recommendations 7 and 8. The only payments received by the Division are from the private vendor who salvages lead and brass from the DPS firing range. The vendor shows up irregularly and typically without advance notice. There are only eight Division employees assigned to the Carson City facility, and often the staff member responsible for the depositing process is the only person available to accept a payment. However, if another staff member is present, the cash receipting and depositing processes will be segregated.

RECOMMENDATION 10: Record all payments on contract logs to help ensure (1) the payments are in accordance with the terms of the contract, and (2) payments do not exceed the authorized contract amount.

It was discovered that, during the audited time period (FY07), the Training Division failed to note several expenditures on its contract log. I acknowledge the mistakes of past administration and fully understand the importance of accurately entering all contract expenditures on the log. Future mistakes like this should not occur.

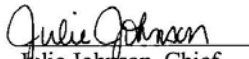
RECOMMENDATION 11: Obtain the Board of Examiners' approval prior to allowing contractors to perform work.

The audit revealed this issue occurred in 2006. I acknowledge the mistakes of past administration and fully understand the rules reference the Board of Examiners. There has been no subsequent error of this kind, and future mistakes should not occur.

RECOMMENDATION 12: Develop written procedures to help ensure documentation supporting the Division's performance measures is retained in accordance with state policy.

Following legislative approval and funding of the Division's southern academy facility, the Division submitted semi annual facility usage reports. Those reports reflected accurate information; however, a number of attendance rosters were subsequently misplaced, and the conversion to a new training tracking software program resulted in the loss of previous computer records entered over a period of time. The new software program has been instituted and utilized, and all attendance rosters are retained. Written procedures will be developed to formalize this process.

Sincerely,


Julie Johnson, Chief
DPS Training Division

cc: Jearld L. Hafen, DPS Director
J. P. Giovacchini, DPS Internal Auditor

Attachment: Training Division Response to Audit Recommendations

Training Division Response to Audit Recommendations

<u>Recommendation Number</u>		<u>Accepted</u>	<u>Rejected</u>
1	Pay employees from the budget account authorized by the Legislature and the State Budget Act	<u> X </u>	<u> </u>
2	Develop work performance standards for all classified employees and amend the standards when appropriate	<u> X </u>	<u> </u>
3	Ensure employees receive performance evaluations as required by state law	<u> X </u>	<u> </u>
4	Establish compensatory time agreements for those employees accruing overtime in excess of 120 hours .	<u> X </u>	<u> </u>
5	Ensure: (1) inventory is taken on an annual basis and is reconciled to the State's records, (2) all firearms are recorded on the inventory report, (3) state identification tags are attached when assets are received, and (4) property is properly disposed of.....	<u> X </u>	<u> </u>
6	Work with Department officials to develop procedures that ensure hazmat protective equipment is properly transferred to the appropriate divisions.....	<u> X </u>	<u> </u>
7	Develop a contract for lead and brass salvage fees and request payments by check, if feasible	<u> X </u>	<u> </u>
8	Prepare cash receipt forms for all cash collections.....	<u> X </u>	<u> </u>
9	Segregate the cash receipting and depositing processes to the extent possible	<u> X </u>	<u> </u>
10	Record all payments on contract logs to help ensure (1) the payments are in accordance with the terms of the contract, and (2) payments do not exceed the authorized contract amount.....	<u> X </u>	<u> </u>
11	Obtain the Board of Examiners' approval prior to allowing contractors to perform work.	<u> X </u>	<u> </u>
12	Develop written procedures to help ensure documentation supporting the Division's performance measures is retained in accordance with state policy.....	<u> X </u>	<u> </u>
TOTALS		<u> 12 </u>	<u> 0 </u>