



John Watson
Missouri State Auditor

Office of Governor

Embargo until 10:00 a.m. on Wednesday, April 22, 2015

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CITIZENS SUMMARY

Findings in the audit of the Office of Governor

Recusal	To avoid any appearance of a conflict of interest, the State Auditor recused himself from participation in this audit and directed the Deputy State Auditor to oversee procedures performed by the State Auditor's professional audit staff.
Payment of Operating Costs by Other State Agencies	As noted in the prior audit, the Governor's office continues to supplement office and mansion operations by using appropriations of other state agencies. This is despite appropriation bill provisions, effective since fiscal year 2012, prohibiting most state agencies from paying staffing and travel costs of the Governor's office. From July 2011 to June 2014, fourteen agencies funded all or part of the salaries and travel costs for six employees of the Governor's office and mansion for a total of approximately \$948,000; the Department of Public Safety paid approximately \$85,000 in costs associated with 49 flights for Governor's office personnel; and several state agencies paid other expenses of the Governor's office and mansion totaling approximately \$732,000. In addition, the Governor's office delayed some payments until the subsequent fiscal year.
Personnel Policies and Procedures	In addition to salary increases provided most state employees, the Governor's office also provided salary increases to six employees. These increases totaled approximately \$42,000 annually, and provided annual increases ranging from 5 to 21 percent. As noted in our prior audit, the Governor's office has not developed a written employee manual, and does not require performance appraisals for employees.
Mansion	The Governor's office does not periodically compare the costs of mansion events sponsored by outside entities to the amounts billed, and the duties related to billing and receipting payments for mansion events have not been segregated. The Governor's office did not document information to support the business purpose and costs of food served at events hosted by the Governor, as required by state policy.
National Guard State Emergency Expenditures	Our review of the National Guard's procedures over expenditures from Governor's office state emergency appropriations noted duty rosters are not signed, soldier payroll duties are not adequately segregated, and supervisory reviews are not documented. Further, the National Guard did not maintain adequate documentation to support various expenditures, and made duplicate payments totaling about \$65,000 for flight costs.

Employee Travel	The Governor's office does not consistently evaluate whether commercial flights would be more economical than state planes for out-of-state trips, or procure commercial airfare in accordance with state policy. Governor's office employees often make lodging reservations without performing price comparisons or other procedures to ensure lodging costs are reasonable. We noted several instances where lodging costs appeared excessive, and Governor's office employees did not document why the higher costs were necessary and reasonable. In addition, the Governor's office held a retreat without obtaining price quotes or considering other locations, and paid costs associated with a float trip that did not appear necessary to the operation of the office or reasonable use of state funds.
Use of State Resources for Political and Personal Purposes	State law is unclear regarding the use of state resources by the Governor's office for political and personal purposes.
Capital Assets	Capital asset records for the office and mansion are incomplete and inaccurate, and annual physical inventories of mansion assets have not been performed.
Governor's Withholdings and Estimated Appropriations	In September 2014, the State Auditor issued Report No. 2014-070 that concluded the Governor's actions to restrict fiscal year 2012 General Revenue Fund expenditures violated constitutional provisions because actual revenues exceeded estimated revenues. The report also concluded (1) the use of estimated appropriations violated state law, (2) formal documentation or calculations is not prepared to support the need for restrictions, and (3) the withholding activities were not recorded in the state's accounting system in a fully transparent manner. In November 2014, state voters approved Constitutional Amendment No. 10 amending Article IV, Sections 24 and 27 of the Constitution. The amendment provides the General Assembly the power to override the Governor's restrictions.
Additional Comments	The Office of Governor provided responses to the audit findings, but those responses are generally non-responsive. For the most part, the Governor's office does not commit to implementing the recommendations.

In the areas audited, the overall performance of this entity was **Fair**.*

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

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Office of Governor

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John Watson

Missouri State Auditor

Honorable Jeremiah W. (Jay) Nixon, Governor
Jefferson City, Missouri

To avoid any appearance of a conflict of interest, the State Auditor recused himself from participation in this audit and directed the Deputy State Auditor to oversee procedures performed by the State Auditor's professional audit staff. We have audited certain operations of the Office of Governor in fulfillment of our duties under Chapter 29, RSMo. The scope of our audit included, but was not necessarily limited to, the years ended June 30, 2014, 2013, and 2012. The objectives of our audit were to:

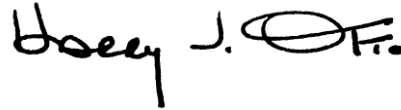
1. Evaluate the office's internal controls over significant management and financial functions.
2. Evaluate the office's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and operations, including certain financial transactions.
4. Summarize issues previously reported in Report No. 2014-070, *Governor's Withholdings and Estimated Appropriations*, issued in September 2014.

Our methodology included reviewing written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the office, as well as certain external parties; inspection of capital assets; analysis of comparative data obtained from external and/or internal sources; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives 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 objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract or 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.

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 accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the office's management and was not subjected to the procedures applied in our audit of the office.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. We also summarized issues previously reported in the *Governor's Withholdings and Estimated Appropriations Report*. The accompanying Management Advisory Report presents our findings arising from our audit of the Office of Governor.



Harry J. Otto, CPA
Deputy State Auditor

The following auditors participated in the preparation of this report:

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Office of Governor Management Advisory Report State Auditor's Findings

1. Payment of Operating Costs by Other State Agencies

As noted in the prior audit, the Governor's office continues to supplement office and mansion operations by using appropriations of other state agencies. The Governor's office has continued this practice despite appropriation bill provisions, effective since fiscal year 2012, prohibiting most state agencies from paying staffing and travel costs of the Governor's office. In addition, the Governor's office delayed some payments until the subsequent fiscal year, also circumventing the appropriation process established by the General Assembly. As a result, the Governor's office has significantly under reported the true costs of operating the office.

If the Governor's office had not allocated expenses to other state agencies or delayed payments until the subsequent fiscal year, both the office and mansion would have exceeded their appropriation authority in each of the 3 years ended June 30, 2014. In total, the operating expenditures of the office and mansion have effectively exceeded appropriated amounts by at least \$1.9 million.

The Governor's office receives appropriations from the state General Revenue Fund annually for the operating costs of the office and mansion. Office operating appropriations totaled approximately \$2.1 million and mansion appropriations totaled \$100,000 each year for fiscal years 2014, 2013, and 2012.

1.1 Staffing and travel costs

State agencies paid personnel and travel costs totaling at least \$948,000 for employees of the Governor's office and mansion.

As of June 30, 2014, the Governor's office had 27 employees, of which 6 were paid from appropriations of other state agencies. During the 3 years ended June 30, 2014, the Governor's office required 14 agencies to fund the salaries of the Directors of the St. Louis and Kansas City regional offices, the Director and Deputy Director of Boards and Commissions, the Assistant to Boards and Commissions, and the Mansion Executive Director. These positions are paid by other state agencies, although the employees in these positions perform duties for the Governor's office, are physically located in offices of the Governor, and are supervised by Governor's office personnel. As noted in the prior audit, the Mansion Executive Director was previously paid from the office operating appropriation.

The salaries of the 6 positions paid by other state agencies are listed in the following table:



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State Agency	Year Ended June 30,		
	2014	2013	2012
Agriculture	\$ 9,021	8,961	9,179
Corrections	3,007	3,073	3,436
Economic Development	126,638	127,130	121,192
Elementary and Secondary Education	8,792	8,903	0
Health and Senior Services	12,486	11,260	15,761
Higher Education ⁹⁹⁹	522	990	0
Insurance, Financial Institution and Professional Registration	36,573	36,556	45,076
Labor and Industrial Relations	5,007	4,994	5,700
Mental Health	4,006	3,957	0
Natural Resources	50,916	17,208	15,375
Public Safety	17,820	17,288	22,627
Revenue	50,207	31,485	33,563
Social Services	10,866	10,545	13,005
Office of Administration	11,082	14,512	12,700
Total	\$ 346,943	296,863	297,614

In addition, the agencies also reimbursed these employees' travel expenses totaling about \$7,000 during the 3 years ended June 30, 2014.

Furthermore, costs associated with additional personnel that provided services to the Governor's office could not be identified because these personnel do not separately account for and report their time spent on work performed for the Governor's office and/or the mansion. Office of Administration (OA) employees perform budget, purchasing/expenditure, payroll, and capital asset processing duties, and Department of Corrections (DOC) employees supervise inmates that work at the mansion. These employees are paid from OA and DOC appropriations.

1.2 Flights on state planes

The Department of Public Safety (DPS) paid costs for Governor's office personnel travel on state planes. In addition, the Governor's office paid flight costs from appropriations of the subsequent year.

Flight costs paid by other agencies

Our review of Governor's office personnel state flight records during the 3 years ended June 30, 2014, noted the DPS paid all or part of the costs of 71 flights, totaling approximately \$120,000. In total, these flights represented approximately 18 percent of flight costs for all state personnel. While some of the flights related to the DPS, flight documentation showed DPS personnel were not present on 49 flights, for which the DPS paid about \$85,000. Most of these flights only included the Governor and members of his staff and family, and some included personnel of other state agencies. These flights related to disaster assessments, emergency preparedness and



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disaster recovery events, economic development announcements, bill signings, and visits to National Guard troops deployed overseas.

Flight costs paid from subsequent appropriations

The Governor's office made payments for flights taken on state aircraft with appropriations of the subsequent year. Billings for flights from November 2013 through May 2014 totaling about \$152,000 were paid in July 2014 from fiscal year 2015 appropriations, although the costs were incurred and billings received during fiscal year 2014. The billings were not paid with fiscal year 2014 appropriations because insufficient appropriations remained for that year.

1.3 Other expenses

Several state agencies paid association dues and other expenses, totaling approximately \$732,000, of the Governor's office and mansion.

State agencies paid the following expenses for the Governor's office and mansion:

Operating Expense	Year Ended June 30,		
	2014	2013	2012
Association Dues: ¹			
Economic Development	\$ 14,200	0	32,885
Health and Senior Services	45,000	45,000	0
Social Services	130,200	130,200	130,200
Labor and Industrial Relations	525	0	0
Office of Administration	375	0	0
Telecommunication expense: ²			
Office of Administration	42,512	0	0
Postage, printing, and fleet services: ²			
Office of Administration	10,280	0	0
Mansion expenses:			
Natural Resources ³	62,370	0	0
Office of Administration ⁴	30,032	28,559	29,641
Total	\$ 335,494	203,759	192,726

¹National Governors Association and Southern Governors' Association dues

²Costs incurred by and initially paid by the Governor's office, but later transferred to OA appropriations because Governor's office appropriations had been spent.

³Beginning in January 2014, certain costs of mansion events considered to be historical and/or cultural in nature are charged to Department of Natural Resources (DNR) appropriations.

⁴Wages paid for inmates that worked at the mansion.

Conclusions

Effective in fiscal year 2012, each agency appropriation bill (except the Department of Public Safety, for necessary travel in the event of a statewide emergency) provides: ". . . no funds . . . shall be expended for the purpose of costs associated with travel or staffing for the offices of the Governor, Lieutenant Governor, Secretary of State, State Auditor, State Treasurer, or



Attorney General." In addition to violating appropriation provisions, the practice of paying Governor's office and mansion personnel and expenses from the appropriations of other state agencies makes it difficult to establish accountability for the true and accurate costs of operating the Governor's office. This practice limits accountability over certain Governor's office expenditures and distorts the operating costs of both the Governor's office and the state agencies paying the Governor's expenses. Additionally, delaying payments on billings until the subsequent fiscal years distorts the annual operating costs and creates future budgetary problems. The Governor's office needs to take measures to reduce office and mansion expenses to ensure expenditures are within the approved appropriation authority, similar to efforts by other statewide elected officials and state agencies.

Recommendation

The Office of Governor discontinue the practice of using other agency appropriations to pay the operating costs of the Governor's office and delaying payments on billings to the subsequent fiscal year. The Governor's office should request funding levels sufficient to pay all operating costs of the office and mansion from its own appropriations. If other agency personnel perform duties related to the operation of the Governor's office, their time should be recorded and paid from the Governor's office appropriations.

Auditee's Response

The office accounts for its operational costs in a manner that properly reflects the nature of the work it performs.

2. Personnel Policies and Procedures

The Governor's office provided salary increases to some employees that were not provided to other state employees. Also, as noted in the prior audit, the Governor's office has not established comprehensive written policies and procedures for the operation of the office and does not prepare performance appraisals for employees.

2.1 Salary increases

In addition to cost of living adjustments of 2 percent in July 2012 and \$500 in January 2014 (increases provided to most state employees), the Governor provided significant additional salary increases to six employees paid by Governor's office appropriations. Two employees received additional salary increases in fiscal year 2014, three in fiscal year 2013, and one in fiscal year 2012. These increases totaled approximately \$42,000 annually, and provided annual increases ranging from 5 to 21 percent to these six employees. According to payroll records and/or the Deputy Chief of Staff, the Governor's office granted these salary increases due to changes in job responsibilities; however, Governor's office personnel could not provide documentation of these changes.

Although Section 26.020, RSMo, grants the Governor the authority to establish employee compensation, given the recent state budget constraints and that other state employees have generally not received such pay



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increases, the Governor should re-evaluate the reasonableness and necessity of further additional salary increases.

2.2 Employee Manual

The Governor's office has not developed a written comprehensive employee manual to address issues such as working hours, performance appraisals, lines of authority, code of conduct, use of state resources, and other items of importance to employees. The Deputy Chief of Staff indicated such information is communicated to employees verbally, but was not formalized in a policy manual due to the small number of employees employed by the office.

A comprehensive employee manual that details policies and procedures can benefit both the office and employees by providing an understanding between management and employees regarding rights and responsibilities. An employee manual can also provide guidance and control for the effective and consistent management of the office and to help avoid misunderstandings and ensure management's policies are fairly and consistently applied to all employees.

2.3 Performance appraisals

The Governor's office does not require preparation of performance appraisals for employees. The Deputy Chief of Staff indicated he believes formal appraisals are not necessary to adequately monitor the small number of employees in the office.

Performance appraisals are needed to adequately evaluate employee performance and provide documented feedback to employees. Performance appraisals also assist in personnel decisions.

Recommendation

The Office of Governor:

- 2.1 Discontinue providing pay increases significantly over and above those provided to other state employees.
- 2.2 Develop a comprehensive written employee manual.
- 2.3 Implement procedures to require annual performance appraisals be prepared for employees.

Auditee's Response

The office acknowledges this recommendation.

3. Mansion

The Governor's office does not periodically compare the costs of mansion events sponsored by outside entities to amounts billed those entities; does not document information required by state policy for events hosted by the Governor; and has not segregated the duties related to billing and receipting payments for mansion events.



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During the 3 years ended June 30, 2014, the Governor's office paid costs of mansion operations and events from multiple funding sources including the mansion and office appropriations, the Mansion Donation Fund, and appropriations of other state agencies. Each year, the Governor's office spends all or most its mansion appropriation totaling approximately \$100,000. In fiscal year 2010, the Mansion Donation Fund was established within the State Facility Maintenance and Operation Fund to accept donations and fees for payment of costs of mansion events and operating costs. In addition, as noted in a previous finding, the Governor's office paid some mansion costs from office, DNR, and OA appropriations, and increased amounts paid from other agency's appropriations in recent years. Also, as noted in a subsequent finding, the Governor does not calculate and reimburse the state for costs related to the personal consumption of food.

Mansion operating costs include the Mansion Executive Director's salary, general upkeep of the mansion, food provided to the Governor and his family, and food and entertainment costs associated with various events held at the mansion. For events sponsored by outside entities, the Governor's office charges fees that are deposited into the Mansion Donation Fund. During the 3 years ended June 30, 2014, the mansion held 107 events with 47 sponsored by the Governor and 60 sponsored by outside entities. During this period, the Governor's office received fees totaling approximately \$96,000 for outside events. Governor's office personnel plan, schedule, and manage mansion events. Mansion event guidelines, which include the fee schedule for facility usage, labor, and miscellaneous fees and menu pricing, are available on the mansion's website.

Costs of the mansion paid by Governor's office (GO) appropriations, other state agency appropriations, and the Mansion Donation Fund are presented in the following table.



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	Year ended June 30,												
	2014				2013				2012				
	Mansion Donation Fund ¹	GO ²	Other ³	Total	Mansion Donation Fund ¹	GO ²	Other ³	Total	Mansion Donation Fund ¹	GO ²	Other ³	Total	
Expenses													
Salaries	\$	29,856	34,188	64,044	56,416		56,416		53,000		53,000		
Food		7,661	50,116	36,567	94,344	37,535	55,829	93,364	47,347	54,521		101,868	
Other ⁴		7,090	15,533	55,835	78,458	14,377	18,348	28,559	61,284	22,413	19,994	29,641	72,048
Total	\$	14,751	95,505	126,590	236,846	51,912	130,593	28,559	211,064	69,760	127,515	29,641	226,916
Less receipts				(19,541)				(34,822)					(41,478)
Total state costs				\$ 217,305				\$ 176,242					\$ 185,438

¹A Comparative Statement of Receipts, Disbursements, and Changes in Cash for the Mansion Donation Fund is included at Appendix D.
²All expenses paid from the mansion appropriation, except for Mansion Executive Director salaries of \$6,167, \$32,975, and \$30,000 paid from the office appropriation during the years ended June 30, 2014, 2013, and 2012, respectively.
³DNR and OA appropriations (see MAR finding number 1).
⁴Includes inmate wages

3.1 Records and monitoring procedures

The Governor's office did not identify the costs of outside entity-sponsored events, and compare those costs to amounts billed to determine if costs were fully recovered. Furthermore, the Governor's office could not locate documentation supporting the basis for the mansion fee schedule. The Deputy Chief of Staff indicated the current fee schedule was developed in 2010, and has not been updated since then.

To ensure the costs of mansion events sponsored by outside entities are fully recovered, the Governor's office should analyze the costs associated with outside events and revise the fee schedule if necessary. Such analysis and revisions should be periodically performed and documented.

3.2 Segregation of Duties

The Governor's office has not segregated the duties of billing and receipting payments from outside entities for mansion events, and independent or supervisory reviews of related records are not performed. The Mansion Executive Director prepares event billings, receives and processes payments, and monitors unpaid amounts. There is no independent review of event accounting records or comparison of event billings to receipts and accounts receivable records.

Proper segregation of duties is necessary to ensure all transactions are accounted for properly and assets are adequately safeguarded. Internal controls would be improved by segregating the duties of billing, receiving and recording monies, and monitoring accounts receivable records. If proper segregation of duties cannot be achieved, documented independent or supervisory reviews of event billing and receipt records should be performed.



3.3 Governor-hosted events

Governor's office personnel did not prepare documentation to support the business purpose and costs of food served at events hosted by the Governor, as required by state policy.

During the 3 years ended June 30, 2014, the Governor hosted 31 dinners, 12 receptions, 3 barbeques, and 1 luncheon at the mansion. Several events were held annually, including a dinner attended by statewide officeholders and directors/leadership personnel from various state agencies and several dinners and a barbeque attended by members of the general assembly. According to the Mansion Executive Director, the Governor hosts these events to help maintain positive working relationships with state legislators and department officials. However, such information was not documented in any of the records supporting the 7 dinners and 1 barbeque reviewed. Each of these 8 events primarily consisted of a meal and brief remarks from the Governor. While records of these events included a general description (such as luncheon, dinner, or reception), date and time, menu, a schedule of events, and a guest listing; a detailed business purpose and the food costs were not documented.

State agency provided food policy, SP-5, requires that dinners and luncheons have a business purpose, and documentation be maintained of the state business conducted and the costs of the food. To demonstrate that Governor-hosted events are reasonable, necessary, and prudent uses of public funds and facilities, the Governor's office should ensure event documentation includes a clearly-detailed purpose and the cost of food provided.

Recommendations

The Office of Governor:

- 3.1 Establish procedures to adequately track mansion costs and monitor and analyze these costs on a periodic basis. The Governor's office should analyze the costs associated with outside events and revise the fee schedule if necessary. Such analysis and revisions should be periodically performed and documented.
- 3.2 Segregate accounting duties to the extent possible or ensure adequate independent or supervisory review of event billing and receipt records are performed and documented.
- 3.3 Ensure documentation supporting Governor-hosted events includes a clearly-detailed purpose and the cost of food provided.

Auditee's Response

The Governor's Mansion is a unique facility serving multiple and varied purposes. There is no other state facility like it, nor is there other state government staff performing the same functions as those of the Mansion staff.



4. National Guard State Emergency Expenditures

The National Guard lacked adequate procedures and documentation over expenditures from state emergency appropriations and overcharged a state emergency appropriation for flight costs.

In times of emergency, when conditions threatening the public health, safety, or welfare are beyond the ability of local governments to respond, the Governor may call the National Guard into active service. The Governor's office receives an annual appropriation from the General Revenue Fund for costs of the National Guard when called into service, and the National Guard State Resources Unit (SRU) makes expenditures from the appropriations. During the 3 years ended June 30, 2014, the Governor deployed National Guard personnel on 6 missions related to floods and tornadoes. Expenditures from state emergency appropriations for those missions totaled about \$6.6 million, and included about \$3.8 million for salaries and allowances, \$600,000 for meals, \$200,000 for fuel, and \$1.5 million for aircraft rentals.

4.1 Soldier payroll procedures

Duty rosters lacked signatures, soldier payroll duties are not adequately segregated, and supervisory reviews are not documented.

The National Guard provides salaries and allowances, at federal daily rates, to soldiers deployed on state emergency missions. For each mission, the National Guard Joint Operations Command (JOC) prepares deployment orders for soldiers deployed. Semi-monthly, personnel of the various deployed units prepare duty rosters listing the days worked by each soldier. The JOC provides copies of the deployment orders and duty rosters to the SRU to process payments to soldiers.

Duty rosters

Duty rosters are not signed by the soldier, the supervisor, the preparer, or the reviewer. The SRU Director indicated the duty rosters are prepared by personnel of the deployed unit, sent to the JOC for approval, then sent to the SRU for processing. However, because the duty rosters are not signed, there is no documentation supporting the preparation or review of the duty rosters. The SRU Director indicated the SRU would implement a procedure to ensure duty rosters are properly signed beginning with the next mission.

To ensure payroll amounts are properly supported, duty rosters submitted to the SRU should be signed by the supervisor, preparer, and the JOC.

Segregation of duties and oversight

The National Guard has not adequately segregated duties or required documented supervisory reviews of payroll procedures and records.

One employee of the SRU is responsible for all aspects of processing payroll for deployed soldiers. The personnel analyst establishes each soldiers' employment record, enters days worked by each soldier, and runs semi-monthly payrolls in the accounting system without any supervisory



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approval. Additionally, this analyst distributes the payroll checks to the applicable deployed units. The SRU Director indicated the system was not programmed to require approval of payroll entries to allow for the timely processing of soldier payroll. The SRU Director indicated she or another SRU employee compares payroll reports to duty rosters before payroll checks are distributed; however, she indicated this review is on a test basis and is not documented.

Adequate segregation of duties and/or documented supervisory reviews are necessary to reduce the risk of erroneous or fraudulent transactions.

4.2 Expenditure records and procedures

The National Guard did not maintain adequate documentation to support various expenditures from state emergency appropriations. Additionally, the National Guard overpaid approximately \$65,000 from a state emergency appropriation for flight costs.

Group meals

The National Guard did not maintain signed headcount sheets supporting some group meal purchases. Our review of 48 group meals served during two missions noted the National Guard did not maintain headcount sheets supporting 8 group meals totaling \$5,333. National Guard operating procedures require that all group meal purchases be supported by a headcount sheet signed by each meal participant. Additionally, state agency provided food policy, SP-5, requires lists be maintained of individuals receiving meals.

MREs

The National Guard did not maintain adequate documentation supporting payments for meals-ready-to-eat (MREs). The only documentation supporting a payment of \$54,326 for 7,514 MREs consumed by 12 units during a mission in April and May of 2011 was a list of the total number of MREs consumed by each unit prepared by a mission supervisor. The SRU Director indicated mission supervisors and unit supply soldiers maintain inventory records of MREs assigned, consumed, and on hand at the end of each mission; however, these records are not submitted to the SRU and are destroyed at the end of each federal fiscal year. The SRU Director indicated the National Guard does not have policies or procedures regarding documentation of payments for MREs.

Fuel

The National Guard did not maintain required documentation supporting many fuel purchases. Our review of 6 payments for 1,401 fuel purchases totaling \$78,925, identified 380 transactions totaling \$19,815, for which fuel receipts were not retained. For 1 of these payments, which included 322 transactions totaling about \$17,000, the unit employee who approved the payment documented in a memo that the transactions were valid, but the receipts could not be located. In addition, many individual fuel receipts lacked documentation of the National Guard vehicle fueled. National Guard



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operating procedures require that fuel receipts, containing specific information, including the vehicle number, be retained.

Overpayment

Our review of 3 payments for flights made during a mission in July 2011, totaling about \$541,000, noted helicopter usage charges totaling \$64,332 were billed and paid by the state emergency appropriation twice. The SRU Director indicated the National Guard Aviation section prepares and submits information supporting flight costs incurred during state missions to the SRU, and the SRU reimburses those costs to the federal government; however, neither the Aviation section or the SRU had identified the overpayment. After we brought this situation to their attention, SRU personnel determined the charges were erroneous and recovered the overpayment in March 2015.

Supporting documentation

Maintaining adequate documentation supporting expenditures is necessary to ensure charges to state emergency appropriations are accurate and proper, and to comply with National Guard and state policies and procedures. The National Guard should establish procedures to ensure expenditures from state emergency appropriations are adequately supported prior to making payments. Group meals should be supported by headcount sheets signed by all participants, payments for MREs should be supported by inventory records of MREs consumed, and fuel payments should be supported by individual fuel receipts containing required information.

Recommendations

The National Guard:

- 4.1 Require duty rosters submitted to the SRU be signed by the supervisor and preparer; and adequately segregate soldier payroll duties and/or require documented independent reviews of payroll records.
- 4.2 Establish procedures to ensure adequate supporting documentation is maintained to support expenditures from state emergency appropriations.

Auditee's Response

The National Guard provided the following response.

- 4.1 *Procedures have been revised to require signatures at the unit level (preparer), the signature of the individual validating the duty roster in the JOC, and the signature of the individual receiving the duty roster in the SRU.*

Segregation of duties is not possible because personnel strength is not sufficient at the OA to support the additional personnel included in the regular pay cycle. Also, an additional level of approval would make it nearly impossible to meet the payroll deadlines so the



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soldiers can be paid quicker. Some soldiers do not get paid for hours worked for as much as 4 weeks because of the lag payroll system.

The payroll report is compared to the duty rosters and the orders, and the reviewer is now required to sign upon completion of review.

- 4.2 *The National Guard, Defense Support to Civil Authorities Standard Operating Procedures provide instruction to ensure accountability of state funds expended during state emergency duty. It is an emergency situation and the focus is preserving the lives of citizens or protecting property. Additional service members will be placed on state emergency duty to aide in satisfying audit recommendations. Requests for federal reimbursement now require the signature of the requesting section and the United States Property and Fiscal Officer. This change has been implemented.*

5. Employee Travel

As similarly noted in the prior audit report, the Governor's office did not take adequate measures to minimize travel costs. In addition, the costs associated with a float trip appear unnecessary.

5.1 Out-of-state flights

The Governor's office did not evaluate the costs of commercial or state flights, or purchase commercial airfare in accordance with state policy. During the 3 years ended June 30, 2014, the Governor's office paid costs for out-of-state flights totaling approximately \$85,000 for 12 flights on state planes and approximately \$14,000 for flights on commercial airlines. Each trip was attended by the Governor, the First Lady, and/or one or more Governor's office staff.

Cost analyses

The Governor's office does not always evaluate whether commercial flights would be more economical than state planes for out-of-state trips. Flights on state planes, especially those associated with trips lasting multiple days, can be more costly than commercial flights because the costs include the wait time and travel expenses of the pilots and the plane. In February 2014, the Governor, the First Lady, and 8 Governor's office staff attended the National Governors Association conference in Washington D.C. Flight costs for this trip totaled \$15,530 (\$13,860 for a state plane and \$1,670 for various commercial flights). Five individuals flew on the state plane round trip, four flew one-way on the state plane and on commercial flights the other way, and one flew round trip on commercial flights. One-way commercial flight costs ranged from \$161 to \$362, while the state plane averaged \$990 per passenger one-way.



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Comparing the costs of commercial flights to state planes when traveling out-of-state helps ensure the most economical use of state resources. If the higher cost alternative is chosen, the circumstances and justification for the decision should be documented.

Advance purchases

The Governor's office did not always procure commercial airfare in accordance with the state travel policy.

For 10 commercial flights reviewed totaling approximately \$6,200, the Governor's office procured the flights 2 to 15 days prior to the date of the flight. State travel policy (SP-6) requires employees to exercise prudent care in arranging airfare to obtain the lowest feasible fare, and obtain the lowest reasonable, logical airfare at least 21 days in advance. When such advance purchase is not possible, the policy provides that the reason(s) be documented. The Governor's office maintained no documentation to justify the deviation from state policy.

5.2 Lodging

Employees often make lodging reservations without performing price comparisons or other procedures to ensure lodging costs are reasonable. During the 3 years ended June 30, 2014, the Governor's office paid \$16,860 for in-state and \$52,639 for out-of-state lodging costs, from the Governor's office and mansion appropriations.

Most lodging expenses reviewed exceeded Continental United States (CONUS) rates (federal employee per diem maximums, established by the U.S. General Services Administration). We reviewed 9 overnight trips, and noted lodging costs for 7 of the 9 trips exceeded CONUS rates. The Governor's office did not document why the higher lodging was necessary and reasonable for any of these 7 trips.

Our review of lodging costs totaling approximately \$15,200 for five out-of-state trips to conferences and conventions noted costs significantly exceeded CONUS rates for each trip. The Governor's office paid lodging costs of \$239 per night (\$90 CONUS rate) in Asheville, North Carolina; \$249 per night (\$95 CONUS rate) in Salt Lake City, Utah; \$299, \$409, \$429 and \$459 (\$184 CONUS rate) in Washington D.C.; \$239 per night (\$91 CONUS rate) in Detroit, Michigan; and \$219 per night (\$171 CONUS rate) in Chicago, Illinois. In total, the Governor's office paid lodging costs in excess of CONUS rates by approximately \$6,600 for these five trips. For most of these trips, employees stayed at the hotel where the conference was held.

Our review of four in-state trips noted lodging costs exceeded CONUS rates for two trips. The Governor's office paid \$149 and \$189 for 1 night for 6 rooms in Sedalia, while the CONUS rate was \$77; and \$115 for 1 night in Joplin, while the CONUS rate was \$77. Additionally, because the related



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reservation was not canceled, the Governor's office paid the costs of an unused room in Sedalia.

In cities where multiple hotels or motels are located, lodging can often be procured at rates less than CONUS rates. The state travel policy (SP-6) requires that "in areas where comparable accommodations are available at significantly different prices you should seek prior approval before selecting higher priced lodging and document the reason(s) for selecting the higher priced lodging. Key issues that determine hotel acceptability to the State include accountability, transparency, price, safety, convenience, ease of booking and payment, oversight and issue resolution." The policy also provides that CONUS rates should be used as a benchmark when evaluating lodging costs. Procedures requiring performing price comparisons and ensuring rates do not exceed CONUS rates are necessary to demonstrate compliance with state policies and ensure lodging costs are reasonable. Documentation should be maintained to support any lodging expenses which exceed CONUS rates. Also, unneeded room reservations should be promptly canceled to avoid additional room charges.

5.3 Retreat

The Governor's office incurred costs for a retreat without obtaining price quotes or considering other locations for the retreat. The retreat was held in November 2012 for 3 days and 2 nights; at Montauk State Park, about 100 miles from the Governor's office in Jefferson City. The Governor, the First Lady, 8 employees of the Governor's office, and 6 employees from other agencies attended the retreat. The Governor's office paid the resort about \$1,760 for cabin rentals ranging from \$58 to \$115 per night per person (\$77 CONUS rate), and about \$740 for 5 meals per person, a total of about \$2,500. Additional costs were incurred for travel to and from the event. Other agencies paid the retreat costs of their employees, except the Governor's office paid for 1 meal and 1 night's lodging for an employee of the Department of Economic Development who was a retreat presenter.

The Governor's office performed no procedures to procure the most cost effective location for the retreat, such as considering the proximity to the office or obtaining price quotes from other hotels/resorts. The Deputy Chief of Staff indicated the resort was selected for the retreat because it is located in a state park which offers lodging. No other retreats were held during the audit period.

When planning future retreats, the Governor's office should evaluate the associated costs and take measures to minimize costs such as obtaining price quotes and considering more local locations for the retreats. Decisions regarding the retreats should be adequately documented, including justification or reasoning for any costs exceeding CONUS rates.



5.4 Float Trip

The Governor's office paid costs associated with a float trip that did not appear necessary to the operation of the office or reasonable use of state funds.

In August 2011, the Governor's office paid expenses totaling at least \$1,300 for a 1-day float trip, attended by the Governor, the First Lady, and 4 Governor's office employees. Costs of the trip included about \$1,090 for lodging, \$75 for transportation, \$25 for meal reimbursements, and \$114 for canoe rental. The Deputy Chief of Staff indicated the purpose of the trip was to promote Missouri tourism; however, the Governor's office maintained no documentation supporting the business purpose of the trip and it is questionable whether the trip was an effective means of marketing Missouri.

State regulation, 1 CSR 10-3.010(1), requires that state payment of goods and services have a clear business relationship to the agency work program. The Governor's office should ensure funds are used only for costs necessary and beneficial to office operations.

Recommendations

The Office of Governor:

- 5.1 Prepare and retain a comparison of the costs of commercial flights to the costs of using state planes for out-of-state travel, and if the higher cost alternative is chosen, the circumstances and justifications should be documented and retained. In addition, airfare tickets should be purchased at least 21 days in advance in accordance with state policy, and the reason(s) documented if such advance purchase is not possible.
- 5.2 Require employees to perform price comparisons and ensure rates do not exceed CONUS rates when making lodging arrangements, and ensure unneeded room reservations are canceled promptly. If it is necessary to exceed CONUS rates, the Governor's office should ensure adequate documentation of the justification and reasoning is prepared and retained.
- 5.3 Implement measures to minimize costs and maintain adequate documentation of decisions regarding employee retreats.
- 5.4 Ensure future expenditures are necessary and reasonable for the operation of the office.

Auditee's Response

The office follows state travel policy. On occasion, circumstances require some deviations from the policy, but efforts to ensure the most cost-effective means are implemented. The office will continue to ensure that such instances are appropriately handled.



6. Use of State Resources for Political and Personal Purposes

State laws are ambiguous and contradictory regarding the use of state resources by the Office of Governor for political and personal purposes. The Governor uses the security and some transportation resources provided by the MSHP for all official, political, and personal activities. The state also pays the personal food costs for the Governor and his family. The Governor does not reimburse the state for any political or personal use of state resources.

Section 43.330, RSMo, allows the governor's security division within the MSHP to ". . . provide transportation, security, and protection for the governor and the governor's immediate family." This section makes no distinction between official state business and events that are personal or political, and it is not clear whether the intent of this legislation was to allow the use of state resources for the Governor's political or personal activities. Article III, Sections 38(a) and 39, Missouri Constitution, prohibit the use of state resources for personal or private gain. In addition, there is no specific provision in state law allowing a state official to use any state resource for anything other than official use.

As a general rule, state resources should be used for a public purpose, for the benefit of the general public, and/or for a public purpose, and not for political or personal gain. If the state intends to allow the Governor to use state resources for anything other than official state purposes, legislation should be pursued to clearly allow this practice and other related conditions, such as reimbursement, of such use. At a minimum, until such provisions are established, with the possible exception of security, the use of any state resource by the Governor for purposes other than official state business should be reimbursed or discontinued.

A similar condition was noted in prior reports.

Recommendation

The Office of Governor pursue legislation regarding its use of state resources, including those of the MSHP, for anything other than official use. With the possible exception of security, until state law is clarified, the Governor should reimburse the state for the use of state resources for purposes other than official state business (except for de minimis activities) or discontinue such use.

¹Federal executives, such as the President, must abide by various federal rules, regulations, and ethics laws governing the use of federal resources for political use. For example, if a presidential trip includes multiple stops, some for political events and some for official purposes, travel costs are allocated between the campaign and the federal government. The President does not reimburse for any security costs, but he is required to pay for personal items such as food.



Auditee's Response

The office follows state laws regarding use of state resources consistent with previous governors. The Governor is on duty at all times.

7. Capital Assets

Records and procedures to account for Governor's office and mansion property are not adequate. Capital asset records for the office and mansion are incomplete and inaccurate, and annual physical inventories of mansion assets have not been performed.

Office

The Governor's office did not promptly update office capital assets records for discrepancies noted in annual physical inventories; and office capital asset records are significantly overstated as a result. As of June 30, 2014, office capital asset records included 25 items totaling \$61,370 that had previously been identified as missing or transferred to another agency, some since 2009.

Mansion

The Governor's office lacks any procedures to maintain complete and accurate capital asset records for the mansion, and does not conduct annual physical inventories.

As of June 30, 2014, a report of mansion capital assets from the statewide accounting system (SAM II) included 22 items totaling approximately \$53,000. However, Governor's office personnel provided a January 2009 listing of 160 items totaling approximately \$160,000, that included 29 items valued at \$1,000 or more. Governor's office personnel had performed no procedures to update or verify the accuracy of the listings, and could not explain why the 29 items were not recorded in statewide accounting records. In addition, our testing of capital assets noted 1 of 9 items (a rug valued at \$1,000) included on the capital asset listings could not be located, and 6 of 9 items (including 3 desks, a couch, a dresser, and a chair) located in the mansion or storage were not recorded on either listing.

Records and Procedures

The Code of State Regulations, 15 CSR 40-2.031, requires each department to account for all acquisitions and dispositions of equipment items \$1,000 or more, and to maintain adequate capital asset records that contain identification number; description of the item including name, make, model and serial number, where appropriate; acquisition cost; date of acquisition; estimated useful life at the date of acquisition; physical location in sufficient detail to readily locate the item; and method and date of disposition. An annual physical inventory of capital assets is required, and should be reconciled to capital asset records and the prior annual physical inventory. In addition, departments are required to establish controls over sensitive items less than \$1,000.

The failure to maintain a complete and accurate inventory listing reduces the control and accountability over capital assets and increases the potential that loss, theft, or misuse will go undetected. In addition, annual inventories are necessary to establish proper accountability over capital assets, and



documentation of the physical inventory should be retained to show compliance with state regulations. Discrepancies noted during annual inventories should be promptly investigated and necessary adjustments made to the capital asset records.

Similar conditions were noted in prior reports.

Recommendation

The Office of Governor ensure (1) complete and accurate capital asset records are maintained for office and mansion assets, (2) annual physical inventories are conducted for all property, (3) discrepancies noted in annual inventories are promptly investigated and capital asset records properly adjusted, and (4) capital asset records are reconciled to SAM II records.

Auditee's Response

Staff perform an annual inventory check, as verified by audit staff who located numerous items that they sought.

8. Governor's Withholdings and Estimated Appropriations

In September 2014, the Office of State Auditor issued Report No. 2014-070, *Governor's Withholdings and Estimated Appropriations*. The report communicated the results of our review of the Governor's withholdings (restrictions and reserves) from appropriations of the General Revenue Fund and the utilization of estimated appropriations during the 2 years ended June 30, 2013.

The report concluded the Governor's actions to restrict fiscal year 2012 General Revenue Fund expenditures violated constitutional provisions because actual revenues exceeded estimated revenues. During fiscal year 2012, the Governor ordered restrictions totaling approximately \$113 million, but only approximately \$60 million of the restrictions were released, and approximately \$53 million were not released. Lawful constitutional mechanisms that would have provided the separation of powers provided for in the Constitution could have been utilized to address unforeseen circumstances impacting the budget.

The report also concluded (1) the use of estimated appropriations violated state law, (2) formal documentation or calculations is not prepared to support the need for restrictions, and (3) the withholding activities were not recorded in the state's accounting system in a fully transparent manner.

In November 2014, state voters approved Constitutional Amendment No. 10 amending Article IV, Sections 24 and 27 of the Constitution. The amendment provides the General Assembly the power to override the Governor's restrictions. The amendment requires the Governor to notify the General Assembly of any restrictions imposed as a result of actual revenues being less than revenue estimates upon which the appropriations were based, and provides for an override of those restrictions with a two-thirds vote in both the House and the Senate. The amendments also prevent the Governor from estimating revenues in the budget dependent on proposed legislation.

Office of Governor

Organization and Statistical Information

The supreme executive power of the state is vested in the Governor. Unless otherwise provided by law, the Governor appoints members of all boards, commissions, and state government department heads as well as those of several other entities in the state and all vacancies in public offices. He commissions all officers of the state unless otherwise provided by law. Through his capacity as commander-in-chief of the militia, the Governor is the conservator of peace throughout the state.

Providing the state's principal financial administration, the Governor presents to the General Assembly a proposed budget for each appropriation period. All bills passed by both houses are presented to and considered by the Governor where they are signed into law or disapproved and returned to the originating house.

In addition to the duties that are specifically assigned to the Governor in the constitution, he has many other duties assigned to him by statute and by custom. The Governor is also a member of the Board of Public Buildings and the State Board of Fund Commissioners.

The Governor is required to be at least 30 years of age and must have been a citizen of the United States for at least 15 years and a resident of this state at least 10 years prior to election. The Governor is elected at the presidential election for a 4-year term and is subject to re-election. No person may hold the office for more than two terms.

On January 12, 2009, Jeremiah W. (Jay) Nixon was inaugurated as the fifty-fifth Governor. His second term expires in January 2017.

The Governor and his family reside in the Governor's mansion, located near the capitol. The mansion was first occupied in 1872 and was added to the National Register of Historic Places in 1969. The Governor and First Lady host public and private events at the mansion. Events are also hosted by other entities including the Friends of the Missouri Governor's Mansion, a statewide, nonpartisan, nonprofit organization dedicated to the mansion's restoration and educational programs.

The Governor's office is located in Jefferson City. There are regional offices in Kansas City and St. Louis. At June 30, 2014, the Governor's office payroll included 21 full-time personnel, including 1 employee at the mansion. Six additional personnel were paid by other state agencies.

Financial Activity

A summary of the office's operating financial activity is presented in the following Appendixes.

Appendix A

Office of Governor
Comparative Statement of Appropriations and Expenditures

	Year Ended June 30,								
	2014			2013			2012		
	Appropriation Authority	Expenditures	Lapsed Balances	Appropriation Authority	Expenditures	Lapsed Balances	Appropriation Authority	Expenditures	Lapsed Balances
GENERAL REVENUE FUND									
National Guard Emergency	\$ 4,000,001	65,210	3,934,791	4,000,001	140,904	3,859,097	6,426,906	6,422,293	4,613
Governmental Emergency Fund Committee	0	0	0	1	0	1	1	0	1
Operation of state-owned facilities, utilities, systems furniture, and structural modifications - Expense and Equipment	343,540	343,540	0	358,125	347,433	10,692	347,264	336,846	10,418
Special Audits	30,000	0	30,000	30,000	4,754	25,246	30,000	30,000	0
Mansion	98,225	89,338	8,887	97,956	97,618	338	97,515	97,515	0
Governor's office	2,096,766	2,096,766	0	2,089,950	2,089,867	83	2,140,418	2,140,418	0
Total General Revenue Fund	\$ 6,568,532	2,594,854	3,973,678	6,576,033	2,680,576	3,895,457	9,042,104	9,027,072	15,032

The lapsed balances include the following withholdings made at the Governor's request:

	Year Ended June 30,		
	2014	2013	2012
General Revenue Fund			
Operation of state-owned facilities, utilities, systems furniture, and structural modifications - Expense and Equipment	\$ 0	10,692	10,418

Appendix B

Office of Governor
Comparative Statement of Expenditures (From Appropriations)

	Year Ended June 30,				
	2014	2013	2012	2011	2010
Governor's office:¹					
Salaries and wages	\$ 1,797,638	1,805,782	1,806,153	1,832,617	1,875,690
Travel, in-state	165,659	128,563	147,676	15,105	25,204
Travel, out-of-state	68,411	40,372	45,385	11,164	17,459
Supplies	42,140	46,123	60,560	52,363	40,249
Professional development	7,983	3,962	10,861	8,773	11,956
Communication services and supplies	264	43,673	53,585	40,301	39,714
Services:					
Professional	11,006	15,766	9,519	16,900	37,409
Maintenance and repair	33	344	28	1,500	1,442
Office equipment	1,635	408	1,886	262	1,523
Parking leases	0	550	660	682	114
Equipment rental and leases	480	560	1,242	1,276	1,369
Agency provided food	1,517	3,740	2,839	5,773	21,750
Miscellaneous expenses	0	24	24	24	378
Total office expenditures	<u>2,096,766</u>	<u>2,089,867</u>	<u>2,140,418</u>	<u>1,986,740</u>	<u>2,074,257</u>
Mansion:²					
Salaries and wages	23,689	23,441	23,000	63,395	77,338
Travel, in-state	0	630	231	0	64
Travel, out-of-state	0	0	705	0	900
Supplies	11,079	8,277	12,372	8,801	9,460
Communication services and supplies	0	0	0	51	0
Services:					
Professional	4,454	8,205	6,256	13,298	5,972
Maintenance and repair	0	0	270	828	1,575
Equipment:					
Office	0	1,236	0	0	22
Other	0	0	160	0	40
Agency provided food	50,116	55,829	54,521	56,253	47,257
Total mansion expenditures	<u>89,338</u>	<u>97,618</u>	<u>97,515</u>	<u>142,626</u>	<u>142,628</u>
Other:					
National Guard emergency	65,210	140,904	6,422,293	3,401,847	9,678
Building lease payments	343,540	347,433	336,846	370,095	323,277
Special audits	0	4,754	30,000	2,174	30,000
Total Expenditures	<u>\$ 2,594,854</u>	<u>2,680,576</u>	<u>9,027,072</u>	<u>5,903,482</u>	<u>2,579,840</u>

¹Governor's office expenditures do not include expenses paid by other state agencies.

²Mansion expenditures do not include expenses paid by other state agencies and the Mansion Donation Fund (see Appendix D).

Appendix C

Office of Governor
 Department of Public Safety, Missouri State Highway Patrol
 Governor's Security Division
 Comparative Statement of Expenditures (From Appropriations)

	Year Ended June 30,		
	2014	2013	2012
Salaries and wages	\$ 945,054	968,000	1,000,164
Fringe benefits	763,513	766,518	822,381
Travel, in-state	20,158	22,679	25,262
Travel, out-of-state	67,246	64,329	47,482
Supplies	41,872	32,570	22,418
Professional development	550	160	1,760
Communication services and supplies	100	552	27
Equipment:			
Computer	30	55	0
Motorized	77,379	144,021	108,400
Office	0	1,612	0
Other	0	2,228	0
Equipment rental and leases	0	0	38
Total Expenditures	\$ <u>1,915,902</u>	<u>1,972,724</u>	<u>2,027,932</u>

Embargo until 10:00 a.m. on Wednesday, April 22, 2015

Appendix D

Office of Governor
Mansion Donation Fund¹

Comparative Statement of Receipts, Disbursements, and Changes in Cash

	Year Ended June 30,		
	2014	2013	2012
RECEIPTS			
Mansion event fees	\$ 19,541	34,822	41,478
DISBURSEMENTS			
Supplies	5,453	9,388	14,938
Professional services	1,637	4,478	7,101
Maintenance and repair services	0	0	0
Office equipment	0	511	374
Other equipment	0	0	0
Agency provided food	7,661	37,535	47,347
Total Disbursements	14,751	51,912	69,760
RECEIPTS OVER (UNDER) DISBURSEMENTS	4,790	(17,090)	(28,282)
CASH, JULY 1	1,270	18,360	46,642
CASH, JUNE 30	\$ 6,060	1,270	18,360

¹The Mansion Donation Fund is a revolving fund established within the State Facility Maintenance and Operation Fund. The purpose of the fund is to accept donations and fees for payment of costs of mansion events and operating costs.

Embargo until 10:00 a.m. on Wednesday, April 22, 2015